EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

FT No. 31,333
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Wednesday December 19 1990

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Austria	Sch30	Iran	Rls200	Pakistan	Rs[illegible]
Bahrain	DM0.700	Iraq	ID0.50	Philippines	Pso[illegible]
Belgium	BFr[illegible]	Italy	L2000	Poland	Zl 8,000
Cyprus	C£[illegible]	Jordan	JD1	Portugal	Esc[illegible]
Denmark	DKr12.00	Korea	Won 2000	Qatar	QRs[illegible]
Egypt	E£3.25	Kuwait	Fils 500	S.Arabia	SRs[illegible]
Finland	FM[illegible]	Lebanon	L£[illegible]	Singapore	S$[illegible]
France	FFr7.00	Libya	LD[illegible]	Spain	Pts[illegible]
Germany	DM2.[illegible]	Malaysia	M$[illegible]	Sweden	SKr[illegible]
Greece	Dr[illegible]	Morocco	DH[illegible]	Switz	SFr2.50
Hungary	Ft[illegible]	Neth	Fl 3.25	Thailand	Bht[illegible]
Iceland	IKr[illegible]	Nigeria	Naira[illegible]	Tunisia	Din[illegible]
India	Rs15	Norway	NKr[illegible]	Turkey	L[illegible]
Indonesia	Rp[illegible]	Oman	OR1	UAE	Dir[illegible]

CHILE'S FORESTS

Too much of a chip feast

Page 10

World News

Nato warns Soviet Union on European defence data

Nato ministers warned the Soviet Union that the submission by Moscow of incorrect data on its military forces and equipment in Europe could delay ratification of last month's agreement on conventional forces cuts in Europe. Page 16

Haitian results

Officials in Haiti said there would be no need for a run-off to decide the country's next president because radical priest Father Jean-Bertrand Aristide appeared to have won about two thirds of the votes. Page 4

Party goes legal

Albania's Democratic party applied for legal registration as the first non-communist party in the Balkan country for 46 years. Britain and Albania opened talks with a view to restoring diplomatic ties broken off in 1946.

Order on race

US president George Bush ordered the Education Department to allow race-based scholarships to colleges and universities. Page 4

Basques open talks

The moderate Basque Nationalist party began coalition contacts with other nationalist groups after talks with the Socialists on forming a new regional government collapsed.

Taiwan scandal

Taiwanese prosecutors charged 61 people in connection with a multi-billion dollar underground bank scandal that imperilled the savings of hundreds of thousands of small investors. Page 6

Power discussed

Power-sharing talks opened in Romania between the government and the opposition Liberals.

East German protest

Berlin students took to the streets to protest against the planned closure of scores of university faculties, accusing the government of a witch hunt against intellectuals in the former Communist east.

Indian judgment

India's Supreme Court reserved judgment on challenges to a $470m compensation settlement for victims of the world's worst industrial accident, the 1984 Union Carbide disaster in Bhopal.

Soviet Jews quit

Hundreds of anxious Soviet Jews, fearing the door is about to be slammed shut, are dashing to Germany to escape anti-semitism and poor living standards.

Ethiopian famine

The Ethiopian government and Eritrean rebels agreed to open a rebel-held Red Sea port for the first time in 10 months, marking a breakthrough for famine relief to millions of drought victims. Page 6

Polish split

President-elect Lech Walesa's favoured candidate for prime minister abandoned talks on forming a new government because of "important differences" with the new leader.

ANC return

African National Congress President Oliver Tambo returned to his home township for the first time after 30 years' exile.

Poll denounced

Yugoslavia's state presidency denounced as unconstitutional an independence referendum in Slovenia and asked the federal government to take measures to preserve national integrity. Analysis, Page 14

Tortelier dies

French cellist Paul Tortelier died of a heart attack at his home near Paris. He was 76.

Business Summary

Japan growth likely to fall to 4.1%, says OECD report

Japan's economic growth will slow next year from an annual 6.3 per cent in 1990 to 4.1 per cent, according to the Organisation for Economic Co-operation and Development.

Continuing growth in spending by Japanese consumers will generate increases in output and employment, the OECD says, but also urges continuation of efforts to create a more open economy by further deregulation, particularly in agriculture and the land market. Page 18

MARKETS: Nikkei average moved up on news of a slowing of money supply growth and renewed hopes of lower interest rates to close at the high of 24,424.02, up 336.11 on subdued activity. Frankfurt traded sideways in thin volume after Monday's drop of more than 3 per cent, but the DAX index recovered slightly to close 1.54 up at 1,477.31. Wall Street: hopes of a cut in interest rates sent share prices on a upward trend in early trading, with the Dow Jones Industrial Average 17.57 up at 2,610.89 at 1.30pm. Stock Markets, Back page, Section II

WORLD Bank notes a "significant and unsustainable" rise in developing countries' reliance on official debt and warns that the Gulf crisis is imposing a "severe burden" on many developing countries. Page 18. Details, Page 4; Escape from the debt trap, Page 14

BRAZIL is to partially lift its 18-month debt moratorium in an apparent change of strategy reflecting the country's desperation to end its isolation from the international financial community. Page 18

BAHRAIN: unusual $580m export credit arrangement for an aluminium smelting project, secured against contracts for future deliveries of aluminium, has been agreed by a group of banks with guarantees by export credit agencies of Germany, France, UK, Italy and Belgium. Page 3

CZECHOSLOVAKIA concluded a trade and economic agreement with the Soviet Union for 1991 after a bitter row over oil supplies. Page 3

PEUGEOT, French car group which also embraces Citroën, is due to sign a joint venture contract in Paris to make Citroën's newest model in Hubei, China. Page 3

PILKINGTON, UK glass maker, signed a letter of intent with Poland's Sandomierz glass works jointly to build a $140m float glass plant there. Production start-up is planned for early 1994. Page 3

NORTH Sea: threat of strikes next year by construction and maintenance workers receded as unions claimed breakthrough in their campaign for recognition. Page 8

R.H. MACY, highly leveraged US department store group, said existing investors agreed to subscribe for $119m of new preferred stock in its private equity offering. Page 20

ARGENTINA is to sell off some 150 federally owned companies next year, in a continuation of its aggressive privatisation policies. Page 20

HONGKONG Bank of Canada bucked the trend of its parent and fellow subsidiaries with a near 40 per cent increase in profits to C$48.7m ($41.9m) for the year. Page 20

INTER-AMERICAN Development Bank maintained its recent high profile in the international bond market by launching a Y35bn issue, lead-managed by Daiwa, the day's only new issue. Page 21

CS First Boston, troubled New York-based investment bank, completed restructuring which will inject $315m of new equity into the firm and give CS Holding of Switzerland majority control. Page 21

EC postpones meeting with Iraqi foreign minister

By Robert Mauthner in Brussels and Richard Tomkins in Baghdad

THE European Community postponed a scheduled meeting with Mr Tariq Aziz, Iraq's foreign minister, yesterday following the failure of Iraq and the US to agree on a date for him to meet President George Bush in Washington.

The decision was taken after a two-day meeting of Nato foreign ministers, at which the Alliance strongly reaffirmed its demand that Iraq should respect the United Nations resolutions calling upon it to withdraw from Kuwait by January 15. It was not a unanimous decision.

The French, Italian, Spanish and Greek ministers wanted the meeting between Mr Aziz and Mr Gianni De Michelis, the Italian foreign minister and EC president, to go ahead even in the absence of high-level US-Iraqi contacts.

However the majority of the 12 member countries considered such a meeting to be inopportune in the circumstances.

The EC decision was clearly motivated by the desire not to give the Iraqis the impression that there were any disagreements between members of the western alliance over the policy to be pursued towards Iraq.

However, Mr James Baker, the US secretary of state, had earlier appeared to endorse the meeting between Mr De Michelis and Mr Aziz, due to have taken place today.

Mr Baker said the US supported any diplomatic efforts aimed at reaching a peaceful solution of the Gulf crisis, even though a US-Iraqi meeting had not yet been arranged.

"The one thing we do discourage is mixed messages," he said at a press conference after the Nato meeting.

Mr Baker added that he was completely confident that any message given to the Iraqis by any member of the US-led coalition in the Gulf would fully respect the UN resolutions on Iraq.

All the Nato members, including those from the EC, had staunchly backed those resolutions.

Mr Baker said the Iraqis had not yet accepted any of 15 alternative dates suggested for Mr Aziz's proposed visit to Washington.

The postponement of the EC-Iraqi contacts does not affect the decision in principle to hold a meeting between Mr De Michelis and Mr Aziz at a more appropriate time.

The intention is still to go ahead with it immediately after Mr Aziz's visit to Washington, if and when it takes place.

Continued on Page 16
Middle East, Page 6

AMNESTY International, the London-based human rights group, today details 38 methods of torture it says Iraqis have used in Kuwait, including mock executions, severing tongues and giving electric shocks. Details, Page 6

Soviets lack budget for 1991

By Leyla Boulton in Moscow

THE Soviet republics served notice yesterday that they would not be steam-rollered into a union treaty with the Kremlin as fierce fiscal wrangling left the Soviet Union without a proper budget for 1991.

The "budget war" between the Kremlin and Soviet republics over how to tax and share out wealth has come to a head as the republics have made clear they plan to renegotiate every aspect of their relationship with the centre on equal terms.

The Soviet government was on Monday forced to adopt a stopgap budget for the first quarter of 1991 without waiting for parliament to approve spending proposals for the whole year.

But this, too, has has already become a subject of bargaining with the republics. Talks were said to be under way last night between Russia and the central government.

Over the next week, President Mikhail Gorbachev will attempt to persuade republics to go along with the stop-gap budget and honour centrally planned supply agreements between enterprises and republics.

The unprecedented "union budget" presented to parliament last month by Mr Valentin Pavlov, the Soviet finance minister, leaves republics the freedom to set their own budgets after making contributions to central government.

His budget proposed central spending of Rbs281.2bn with an expected deficit of Rbs80bn. But objections from republics to the proposed budget, combined with the fact that the Supreme Soviet ran out of time to continue discussions, mean that approval of the full-year budget will have to wait until next year.

While the new budget structure recognises the need for greater republican rights, the centre and republics have not yet formally agreed on how to divide responsibilities and resources. At least four republics do not even want to be part of a new union treaty for a revamped confederation of sovereign states.

Continued on Page 16
Bank predicts deep downturn in E Europe, Page 2

Looking for support: Mikhail Gorbachev at yesterday's meeting of Congress

Central Asia republics turn on Gorbachev

By Quentin Peel in Moscow

SOVIET President Mikhail Gorbachev was yesterday facing a growing rebellion from once-loyal union republics in Central Asia, while a delegation from Moldavia became the third to storm out of his Congress of People's Deputies.

And his idea for a national referendum, republic by republic, on whether to preserve the Soviet Union itself, was dismissed as "useless" by Mr Boris Yeltsin, president of the Russian federation, and his greatest political rival.

Tension in the outlying republics is growing, with three more bombs exploding in Riga, Latvia, prompting accusations by officials that the Communist party and the Soviet army are behind a campaign of "provocation."

At the Congress of Deputies, the super-parliament, the majority of deputies from Moldavia marched out to join Lithuania and Armenia in a boycott. They were protesting at the presence of leaders of two breakaway Moldavian regions which want their own independence, and at the Soviet leadership's refusal to have a special debate on the issue.

Earlier, Mr Arnold Rüütel, president of Estonia's parliament, told a hushed assembly of his republic's determination to leave the union and its decision to nominate no more deputies to the Supreme Soviet, the standing parliament.

Yet the greatest possible shock to Mr Gorbachev, battling to win support for a new union treaty and sweeping new presidential powers, came from the signs of a common front in Central Asia, where the republics are demanding to dictate the shape and powers of the new national state.

Mr Islam Karimov, leader of the Uzbekistan Communist party and president of its parliament, threw his weight behind Mr Nursultan Nazarbayev from neighbouring Kazakhstan in rejecting the way Mr Gorbachev was seeking to lay down the treaty.

"We are for the union treaty. We are for the federation. But we do not accept the way this union treaty is being drafted from above. The republics, getting together, must decide which rights and powers should be delegated to the centre."

The Soviet leader is now pinning his hopes on the plan for a nationwide referendum, which will ask voters if they want to preserve the union, planned for this winter.

Continued on Page 16

Citicorp cuts payout, raises loan reserves

By Martin Dickson in New York

CITICORP, the largest US banking group, yesterday announced plans to slash its annual dividend by 44 per cent and said it expected to make a loss of $300m to $400m in the fourth quarter after increasing its reserves for problem loans. It is also preparing a big new round of job cuts.

The announcement, which follows an annual inspection of its books by national bank examiners, underlines the impact of real estate and other bad loans on leading US commercial banks.

The proposed dividend cut, from $1.78 on an annual basis to $1.00, will be put to next month's board meeting. Citicorp said it reflected "marketplace realities" and was part of a plan to increase capital and improve ratios.

Following the examiners' inspection, it is to increase its reserve for commercial loan losses by $340m in the fourth quarter, an increase of $250m over the third quarter.

As part of a restructuring programme, it will take an additional $300m charge in the fourth quarter. The result of all these actions is that it expects to report a fourth quarter loss of $300m-$400m and a profit for 1990 of $400m-$500m. That compares with a profit of $498m in 1989.

The restructuring involves staff cuts of about 8,000. But of these 3,600 have been made in 1990 and 1,850 relate to peripheral businesses that are to be discontinued or sold.

The bank said the restructuring would result in annual cost savings of more than $800m, fully visible in 1992, or approximately $500m net of revenues lost from discontinuing certain businesses.

US price inflation figures fuel hope of easier monetary policy

By Michael Prowse in Washington

CONSUMER price inflation moderated in the US last month, the Commerce Department reported yesterday.

The announcement brought relief to financial markets and fuelled speculation that monetary policy might soon be eased further to support the flagging economy.

The Federal Reserve's open market committee met yesterday to discuss monetary policy after Mr Nicholas Brady, the Treasury secretary, said at the weekend that there was ample scope for interest rate cuts.

Merchandise trade figures released yesterday were less encouraging. The deficit widened markedly in October, rising to $11.6bn against a revised $9.3bn in September, giving the biggest monthly shortfall in nearly three years. The increase was only partly caused by higher oil imports.

Consumer prices rose 0.3 per cent in November, less than half the average monthly increase of 0.7 per cent in the three months to October, prompting a modest rise in share and bond prices on Wall Street. The Dow Jones Industrial Average was up 16.58 to 2,609.90 in early afternoon trading.

Prices have risen at an annual rate of 6.4 per cent so far this year. Last month's improvement mainly reflected a sharp reduction in energy price inflation, although weakness in the retail sector also led to a 0.2 per cent drop in the cost of clothing. The index for energy commodities fell 0.3 per cent, having risen 29 per cent in the three months to October following Iraq's invasion of Kuwait.

Excluding food and energy, "core" consumer prices rose by 0.3 per cent for the third month running.

However, most of the inflation is confined to the services sector. The index for commodities less food and energy showed no increase in November and has risen only 3.1 per cent in the past year.

The October trade deficit surprised analysts who had been looking for a shortfall of no more than $10bn given the economy's softness. Imports and exports both hit monthly highs in cash terms. Imports rose to $46.4bn from $41.8bn in September while exports increased $2.8bn to $34.8bn.

Mr Robert Mosbacher, commerce secretary, warned that monthly data were subject to wide fluctuations. He said annualised figures for January to October were encouraging, with the non-petroleum deficit running at $48.7bn compared with $64.7bn in 1989 and reflected the "growing competitiveness of American goods."

Imports of petroleum products at $7.2bn were $1bn higher than in September and $2.6bn higher than the monthly average for the first three quarters. But October's trade deterioration also reflected a $1.4bn rise in the non-oil deficit.

Imports of manufactured goods were particularly buoyant, rising $6bn to $37.2bn. There were big increases in imports of capital goods, consumer goods and cars.

The trade deficit for the first nine months was $85.9bn compared with $92.7bn for the same period last year.

CONTENTS

A land where reason is elusive and inflamed feelings rife

Yugoslavia's prime minister, Ante Markovic, is an obstinate man. He persists in pushing ahead with reforming his country's economy, in spite of obstacles from every direction. Page 14

MARKETS

STERLING
New York lunchtime:
$1.935
London:
$1.935 (1.927)
DM2.8725 (2.865)
FFr9.7825 (9.8075)
SFr2.4575 (same)
Y257.75 (256.75)
£ index: 93.3 (93.2)

GOLD
New York: Comex Feb
$378.4 (379.3)
London:
$376.95 (376.6)

N SEA OIL (Argus)
Brent Feb
$25.85 (28.125)

Chief price changes yesterday: Page 17

DOLLAR
New York lunchtime:
DM1.4855
FFr5.061
SFr1.2705
Y133.25
London:
DM1.484 (1.467)
FFr5.055 (5.09)
SFr1.27 (1.2755)
Y133.25 (133.25)
$ index (80.9)
Tokyo close: Y133.03

US lunchtime rates
Fed Funds 7 1/16%
3-mo Treasury Bills:
yield: 6.93%
Long Bond:
108 3/8
yield: 8.14%

STOCK INDICES
FT-SE 100:
2161.8 (+3.9)
FT Ordinary:
1694.2 (+4.0)
FT-A All-Share:
1039.03 (+0.1%)
New York lunchtime:
DJ Ind. Av.
2,611.14 (+17.82)
S&P Comp
327.96 (+1.96)
Tokyo: Nikkei
24,424.02 (+336.11)

LONDON MONEY
3-month interbank:
closing 14 1/16-14% (14 3/32)
Liffe long gilt future:
Mar 89 3/8 (89 1/4)

EC agrees to new safety rules for part-time workers

By Lucy Kellaway in Brussels

EUROPEAN EMPLOYMENT ministers yesterday agreed to grant all temporary and part-time workers the same health and safety conditions as full-time workers but persisted in blocking more ambitious measures that would improve the benefits and terms of employment of such workers.

Yesterday's meeting displays the difficulty that the Commission is having in getting adopted its more important measures under its "social action pogramme".

A Commission official said the agreement was "a small step in the right direction" but minsters expressed dismay at both the substance and the form of two more ambitous proposals.

These would provide all the same terms of employment – contracts, holidays, social security, training and so on – to all workers working more than an 8 hour week.

The health and safety directive is not expected to require substantial changes in the laws of most EC countries, where such workers already enjoy protection, so that the agreement yesterday was not seen as any great achievement.

The aim of the other proposals is to ensure that temporary and part time workers are not discriminated against.

However, the effect would be to increase the cost of their social security and other benefits – an outcome that has been strongly opposed by employers. The UK government estimates that if implemented, it would cost employers an extra £1bn ($1.93bn) a year.

EC officials said yesterday that these proposals were likely to remain deadlocked until the Treaty of Rome was changed to allow social matters to be passed by a qualified majority of member states rather than by unanimity. However, the UK would be likely to block any such extension.

The Commission tried to put forward one of the part time workers' directives under a qualified majority vote, on the grounds that competition within the single market was at stake.

Several member states yesterday objected strongly to this, suggesting that the Commission may have to back down on the issue.

Bank predicts deep downturn in E Europe

By Anthony Robinson, East Europe Editor, in London

WESTERN investors should be prepared for some form of military-backed regime in the Soviet Union and a "far deeper and longer economic downturn" than generally expected in east Europe, according to the latest Eurostrategy analysis by Morgan Stanley.

In a review of the global implications of the crisis in east Europe and Latin America, the bank says unemployment could reach 14m, or 21 per cent of the working population in eastern Europe, and 30m-40m in the Soviet Union by 1994.

"The west has to accept that an adequate social safety net for eastern Europe is likely to cost $270bn-$370bn over the next five years," the review says.

In a gloomy assessment of prospects in the Soviet Union the report says: "Perestroika is likely to fail shortly and be replaced by one of four options: a radical national salvation government backed by the younger military officer corps, a conservative coup by senior officers, a military-backed, half-hearted economic reform government under an increasingly "bonapartist" President Gorbachev, or "chaos".

This vision of a Soviet Union "poised between coup or chaos" presented by Mr David Roche, head of the equity research department, is backed up by contributions from Prof Alec Nove and Prof Andrei Anikin of the Moscow Institute of World Economy.

Prof Anikin compared Mr Gorbachev's Moscow to the last days of the Kerensky regime in 1917, a vision shared by high-ranking US government and other western officials concerned about the stability of the Soviet government at a time when the Gulf crisis is nearing its expected peak.

The report sees the next few years "as the darkest hour before dawn" for eastern Europe but with the possibility of an upswing from 1994 "if these countries stick to the economic reform packages announced, and accelerate privatisation of property ownership".

Mr John Wellemeyer, oil analyst, estimates that with oil at $30 a barrel, eastern Europe will have to pay $17.3bn more for it next year, imposing a severe deflationary shock which will lead "to defaults in the servicing of hard-currency debt".

Morgan Stanley said that the need to raise savings rates in the developed world by 2-3 per cent of GDP to finance development of Latin America and eastern Europe was the main reason behind the cyclical slowdown in world economies.

This would keep real interest rates high and growth in the Anglo-Saxon world low for several years.

Pensioners' food parcels: A Soviet official, right, checks pension books in Leningrad yesterday before handing out food parcels sent by citizens of Hamburg, Germany. Basic foodstuffs remain in short supply in the major Soviet cities.

GM looks elsewhere as Slovak talks lag

By Kevin Done, Motor Industry Correspondent

GENERAL MOTORS, the world's leading car-maker, is turning its attention to sites in both west and east Europe to build a $250m-$350m transmission plant following inconclusive talks with the Slovak government.

The talks on the establishment of transmission manufacturing and vehicle assembly operations at the Bratislavské Automobilové Závody (BAZ) plant in Bratislava, had been going on since November,

and GM said yesterday that it had decided to investigate alternative sites in Europe.

Discussions with the Slovak government are continuing, but GM said yesterday that it had not been possible "to reach agreement to date on several important issues." It is understood that the main stumbling block is the level of state financial support.

GM is coming under acute time pressure, as the gearboxes are required for GM cars planned to be in production from 1992/93. The plant would manufacture up to 250,000 transmissions a year largely for export to GM car assembly plants in west Europe.

It is now reviewing a possible expansion at its existing manufacturing sites in Europe. It currently produces transmissions at Aspern, near Vienna, at Bochum and Rüsselsheim in Germany and at Strasbourg.

The company is also studying alternative sites in east Europe. Earlier this year GM decided to build an engine plant and small volume car assembly plant in Hungary, and in recent days a GM Europe delegation led by Mr Robert Eaton, GM Europe president, has also visited Poland.

It is developing contacts with FSO, the Polish producer of Fiat-based cars in Warsaw.

The Slovak government said yesterday that it was renewing its earlier negotiations with Volkswagen of Germany, which have included talks on either car or van assembly.

Bonn delays decision on road tolls

THE German government has postponed a decision to introduce annual motorway tolls, to help cover the costs of unity, pending clearance from the EC, writes David Goodhart.

The government has signalled its intention to charge both domestic and foreign users DM100 ($66) a year for cars, DM1,000 for buses and DM2,000 for lorries.

That intention has released howls of criticism from motoring organisations and more subdued complaints from other EC countries.

Unlike France, Italy and Spain, Germany currently makes no charge for using motorways. The proposed toll would raise about DM5bn a year to be used for new road building in east Germany.

Mr Volker Rühe, Christian Democrat general secretary, said yesterday that the EC-compatibility of such a levy had to be checked but added that it would be unacceptable to impose the toll on German drivers alone.

The government also seems intent on pressing ahead with an extra levy of DM5bn on the state owned telephone authority, Telekom.

The Telekom management has protested that it already hands over about DM6bn a year and that the extra DM5bn would have to come from higher charges.

● The sharp fall in industrial production in east Germany in July and August appears to have been halted in September and October according to preliminary figures from the Economics Ministry in Bonn. In September, production rose 2.5 per cent on the previous month and in October it rose 1 per cent. Nonetheless, comparing October 1990 with the previous year, production fell by nearly 50 per cent thanks to falls of 35 per cent in July and 14 per cent in August.

Danish coalition faces squeeze

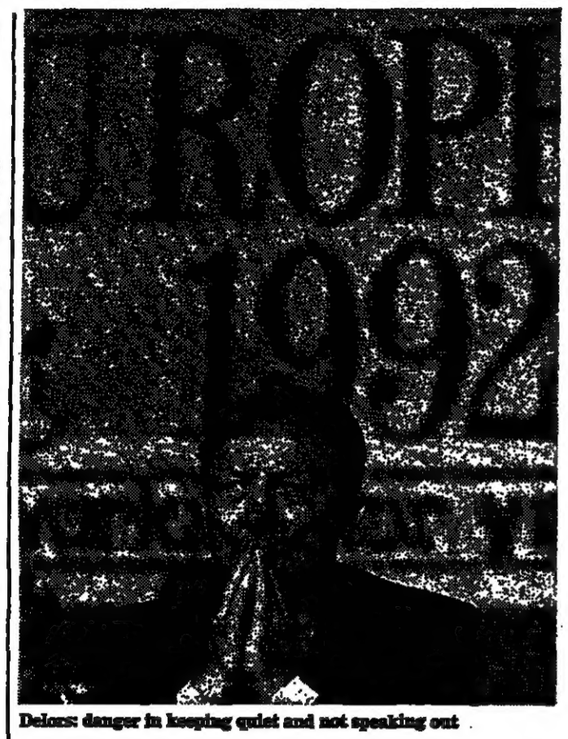
A short life is being widely predicted for the narrow minority coalition government formed by Mr Poul Schlüter, the Danish prime minister, following last week's general election, writes Hilary Barnes.

Mr Schlüter, always an optimist, said he saw no reason why the coalition between his own Conservative party and the Liberals should not survive for three or four years, although it controls only 59 seats in the 179-seat parliament. But the government faces a three-way squeeze. The opposition Social Democrats, who gained 14 seats for a total of 69, are ambitious to get back into office.

The small centre parties read this gain, together with the loss of five Conservative seats, as meaning voters want the parties to co-operate across the left-right divide, and their support for the new government is conditional.

Meanwhile, the populist Progress party will press for tax and expenditure cuts on a scale unacceptable to anyone else. The Radical Liberal party, which was part of the coalition from 1988 until this week, could prove particularly problematic for Mr Schlüter. The party, with seven seats, intends to use its swing vote to encourage co-operation between the government and the Social Democrats.

The trade unions are also flexing their muscles before negotiations in the new year for the next two-year collective wage agreements.



Delors: danger in keeping quiet and not speaking out

Delors seeks to strengthen his hand in high-stake game for monetary union

By David Buchan in Brussels

WITH SPORT and jazz as his relaxations, Mr Jacques Delors saves high-stake poker for his professional life. And nowhere are the stakes higher for him than in the present power-play over economic and monetary union (Emu).

When he hit out publicly this week at the way the German, Dutch, Spanish and French finance ministers seemed to him to be going back on their governments' commitments to Emu, he was not just seeking to avoid singling out Britain and trying to give Mr John Major a chance to modify UK opposition to a single currency.

He was also appealing to the leaders of Germany, France, the Netherlands and Spain to prod their finance ministers back into line over the commitments to Emu which these EC governments, plus seven others, made in Rome last October.

It is a high risk strategy. Mr Delors is banking on Chancellor Helmut Kohl, President François Mitterrand and Prime Ministers Felipe Gonzalez and Ruud Lubbers being "better Europeans" than their finance ministers – and, to some extent, having better relations with him than with their own finance ministers. There is an obvious danger that these four leaders will simply consider that Mr Delors is getting too big for his Commission boots, and ignore him in an Emu negotiation that is essentially only between governments.

But for Mr Delors there is an equal danger in not speaking out. In a Community whose presidency falls into a different set of vested national interests every six months, he sees it as the Commission's duty to cajole, exhort and excoriate members into living up to their promises.

And the promise by Britain's 11 partners two months ago to set up a European central bank in January 1994, at the start of a Stage Two of Emu that might be as short as three years before final passage to a single currency, is of the utmost personal and professional importance to Mr Delors. This former Banque de France and French finance minister considers money a driving force of EC integration.

The view from Brussels is that Emu, or at least agreement on an Emu treaty, has to be achieved quickly, or it may not be achieved at all. EC officials see many winds – a Gulf war, economic recession – that could blow Emu off course. They are thus very anxious that the Emu negotiations should catch the current pro-Emu tide that is still running strongly in most EC countries, and alarmed at the following signs of delay:

● Mr Theo Waigel, the German finance minister, is described as having been "very tough" at the opening of the Emu inter-governmental conference. He suggested that the Community was nowhere near agreement on adequate budgetary discipline for Emu, and that in 1994 the EC should stop short of setting up the planned EuroFed central bank and merely strengthen the EC central bank governors' committee instead. Earlier this month, Mr Wim Kok, the Dutch finance minister, made the same point.

● Mr Pierre Bérégovoy, French finance minister, has recently not only been polite about Britain's hard Ecu proposals, but also called for a strong "political counterweight" to the EuroFed, a stance difficult to reconcile with Germany's insistence on EuroFed independence.

● Mr Carlos Solchaga, the Spanish finance minister, has made no secret of his desire to move slowly towards Emu, seizing on the hard Ecu idea as the possible core of a prolonged transitional Stage Two.

The net effect of all these hesitations is to give the UK a chance to pick up allies that is far too big for Mr Delors' liking. The Commission president stresses the effort he made last June to welcome Mr Major's hard Ecu ideas as forming a possible bridge along which Britain would walk towards its EC partners. Now, however, there are signs of movement along that bridge, in the opposite direction.

EC ministers clear loans for Yugoslavia

By David Buchan in Brussels

EUROPEAN Community foreign ministers decided yesterday to lend Yugoslavia Ecu730m (£514m) over 1991-95, and to subsidise the interest on these loans with Ecu77m drawn from the EC budget.

This is a substantial increase on the Ecu550m worth of European Investment Bank loans under the Community's second five-year financial protocol which runs out in mid-1991.

It reflects the fact that Yugoslavia has been targeted for special aid, along with other newly-democratised east European countries, from the Group of 24 western aid donors which includes EC states and is co-ordinated by the European Commission.

The latter body also announced yesterday that it was paying Ecu35m into a fund organised by the International Monetary Fund and World Bank to help capitalise Yugoslavia's commercial banks properly.

Last weekend's EC summit in Rome decided to contribute to currency stabilisation funds of Ecu700m and Ecu500m respectively for Czechoslovakia and Hungary. EC officials yesterday expressed disappointment that the Community's G24 partners appeared reluctant to pay their share into these funds.

However, on aid to the Soviet Union, which is not yet co-ordinated at a G24 level, EC finance ministers have finalised emergency food aid worth Ecu750m (one-third grant, two-thirds credit) and agreed on a supplementary EC budget for 1991 from which to give Moscow Ecu400m in technical aid.

OECD review will help Gonzalez

By Tom Burns in Madrid

THE annual OECD survey of Spain yesterday provided Mr Felipe Gonzalez's government with strong ammunition in its battle to impose wage moderation by highlighting the dangers that escalating labour costs pose to the domestic economy.

The report forecasts an inflation rate that will remain higher than that of Spain's main European Community trading partners over the next two years, albeit with diminishing differentials, and a current external deficit that is likely to be higher than its long term sustainable level. The outlook, says the OECD, "cannot but call for a continuation of tight policies."

The survey says that "a worrying feature" of the strong demand-led growth in the latter half of the 1980s was "the continuance of the rapid deterioration in cost and price competitiveness which is eroding the relative profitability of exports and investment."

Mr Gonzalez is due to propose a "competitiveness pact" to parliament next month which will ask opposition parties to back the government on wage restraint. The prime minister hopes such endorsement will impress the union leadership in advance of the annual round of collective salary negotiations.

The OECD says that "close adherence of wage settlements to the government's objective of 5.8 per cent in 1991 would not only reinforce the process of disinflation but, by boosting the potential output and employment growth over the medium term, would also generate positive dynamic effects in the real economy."

Mr Gonzalez's government gets high marks from the OECD for its policy of slowing the economy through tighter monetary conditions and budgetary cutbacks. The survey says that before the Gulf crisis there was a significant slowdown of domestic demand and "the rise of both underlying inflation and of the current external deficit were seemingly being arrested."

The sharp increase in oil prices has however "brought this still hesitant unfolding of a 'soft landing' scenario to a halt."

The survey also forecasts that consumer price inflation will remain "broadly unchanged" between 1989-1991 and that the current external deficit will continue to rise in 1991.

Gloomy view on French growth

By Ian Davidson in Paris

THE SLOWDOWN in the rate of French economic growth over the past year is likely to continue into 1991, according to an end-of-year assessment by Insée, the government statistical institute.

The economy will continue to expand but the slower rate of growth means that French unemployment, long one of the black spots, is unlikely to get better and may get worse, according to the report.

During the first half of next year, French gross domestic product should grow at an annual rate of 2 per cent, compared with 2.6 per cent in 1990 and 3.7 per cent in 1989.

A similar slowdown in job creation is also likely to continue next year.

The number of jobs created this year declined to 220,000 from 290,000 in 1989, and Insée expects a further decline to 130,000 new jobs in the 12 months from mid-1990 to mid-1991.

Moreover, manufacturing industry has been losing jobs again since the third quarter and Insée expects 50,000 more jobs to go in the 12 months to mid-1991, notably in the car industry and to a lesser extent in consumer goods and intermediate products. Despite a wage push in the first half of this year, and the surge in oil prices in the second, inflation has remained stable this year at 3.6 per cent, as in 1989.

As a result there has been a squeeze on company profit margins, a trend which Insée expects to continue in 1991.

The slowdown in the rate of growth has also prompted a decline in the rate of new corporate investment, which has expanded by around 5-6 per cent in volume this year, against more than 7 per cent in 1989.

The trade deficit is estimated to have deteriorated this year by FFr10bn to FFr55bn ($10.76bn), almost exclusively because of higher oil prices.

The deficit in manufactured products worsened during the year from FFr21bn in the first half to FFr34bn in the second of the year.

Insée expects a slight improvement in the manufactured products deficit, to around FFr30bn in the first half of next year, but the overall trade deficit is likely to total FFr40bn during the same period.

The Turkish economy moves unsteadily forward

Gulf-related losses overshadow some progress on more familiar problems, writes John Murray Brown

FOUR months into the Gulf crisis Turkey's economy displays all the halting characteristics of that most curious of Ottoman traditions, the march of the imperial guard – one step back for every two steps forward.

Policy makers are bracing themselves for another hard winter. But while the crisis has made a nonsense of most government projections, there is little evidence of direct damage to the economy.

Official estimates of the cost to Turkey of enforcing the United Nations embargo range between $2bn (£1bn) and $9bn.

Receipts from transport and tourism have been badly hit and Turkey has foregone as much as $600m in royalties by closing the pipeline taking Iraqi oil to the Mediterranean.

But the figures are largely guesswork at this stage.

Indeed the State Planning Organisation is projecting growth at 5.7 per cent in 1991, compared with 9 per cent this year and 1.7 per cent in 1989. Exports and investment continues to rise.

Turkey's underlying problems, however, remain the familiar ones – chronic high inflation, a $42bn foreign debt and a current account which this year has slipped into deficit after two years in surplus.

After seven years of market-based reform, President Turgut Ozal's dream of a modern, industrialised share-owning democracy has still some way to go.

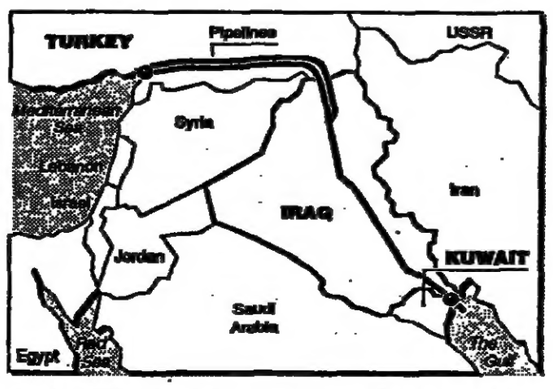
Turkey, like many developing countries, is caught between the need to encourage the private sector while maintaining public services for large parts of society living outside the modern market economy.

On the trade account, Turkish exports has been little effected by the 35 per cent appreciation of the real exchange rate since 1988, underlining industry's new found competitiveness.

Textile exports, for example, increased 17 per cent in the first nine months of 1990.

On the other hand, the strong lira has prompted a surge in imports, with the current account deficit now set to reach $2.3bn in 1991, the highest level since the early 1980s.

"We are going through a consumer crisis. But you can't tell people to spend less" says Mr Adnan Kahveci, the finance minister, who last week presented the new budget to parliament.



Tighter monetary policy has helped to restrain the public sector deficit. The public sector borrowing requirement (PSBR) is set fall to 7.5 per cent of GNP in 1991, compared with 9.3 per cent this year.

The high 1990 PSBR is partly explained by the inventory costs of TMO, the state food agency, which bought large amounts of wheat this year.

The government can also claim a degree of success in controlling inflation.

The current import surge is helping to hold down the prices of some products, a trend particularly noticeable in the auto and white goods sectors.

This is in sharp contrast with recent experience – private business has long been accustomed to the prospect of prices rising at close to 60 per cent.

But elsewhere, the strain is beginning to show.

After a decade of wage restraint – a major factor in maintaining the export drive – union problems are back with a vengeance.

The country's largest ever strike at coal mines on the Black Sea coast is now in its third week.

Both opposition parties – the conservative True Path Party and Social Democratic Populist Party – have backed the unions. The labour unrest shows signs of spreading to other sectors, like textiles, which was Turkey's most important export earner last year.

A round of high wage settlements will certainly put public finances under increased strain. But as the OECD points out, wages are not the cause of Turkey's inflationary spiral.

The greater challenge is how to finance the large state sector, which still accounts for about 30 per cent of industrial output while absorbing 60 per cent of public investment. An example is Tek – the state electricity company which employs around 70,000 people – but which has debts of close to $4bn.

In the fight against inflation, the government is now restricting the price of state enterprise products.

As a result, many corporations are now borrowing, pushing up inter-bank rates and making life even more difficult for private companies.

Privatisation as a solution has lost some of its appeal, even among government officials.

Since its start in 1984 proceeds from the programme have totalled Tl1,000bn, but the public's appetite for large-scale sell-offs of state companies has proved limited. In addition bankers have warned that the programme could crowd out the capital needs of the private sector.

President Ozal's exasperated suggestion to "sell at any price" was a measure of the government's failure to address the problem of public finance, which remains Turkey's single greatest economic headache.

EUROPE

The Financial Times (Europe) Ltd
Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Guiollettstrasse 54, 6000 Frankfurt-am-Main 1: Telephone 069-75980; Fax 069-722677; Telex 416193 represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1990.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: B. Hughes. 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Sir Geoffrey Owen. Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Ostergade 44, DK-1100 Copenhagen-K, Denmark. Telephone (33) 13 44 41; Fax (33) 935335.

WORLD TRADE NEWS

Peugeot set for Citroën joint venture in China

By John Elliott in Hong Kong and William Dawkins in Paris

PEUGEOT, the French car group which also embraces the Citroën marque, is due to sign a joint venture contract in Paris today to make Citroën's newest model in the Chinese province of Hubei.

Investment is expected to total at least Yuan 4bn, including 30 per cent from Citroën, with the rest from the Chinese partner, the long-established Second Automobile Works, French industrial officials say.

Assembly of imported kits is due to start next year, building up to full local production of 150,000 cars a year by 1994, with a significant increase at a second stage.

Christened Aeolus-Citroën, the project will be based in the city of Wuhan and produce the ZX, a small to medium-sized car due to be launched in France late in the first quarter of next year.

The ZX will compete against hatchbacks like the Volkswagen Golf, which is about to be produced in China in a DM1.6bn (£550m) joint venture signed last month between the German group and the First Auto Works in the northern province of Jilin. Volkswagen will also make Jetta saloons there and already produces Santana sedans at a joint venture in Shanghai.

This makes Peugeot the second European car company to sign a second joint venture agreement in China. It already has a factory in the southern city of Guangzhou producing Peugeot 504 and 505 station wagons, pick-ups and cars. The projects show that China has now decided to use foreign companies that have gained experience in the country to modernise its older plants.

The Peugeot deal comes after nearly four years of negotiations, delayed by the imposition of EC sanctions against China following the military crackdown on the student riots of June last year.

This included a block on state loans, lifted last February. Mr Raymond Ravenel, Citroën's international affairs adviser, was yesterday quoted as saying that the investment includes up to FFr2bn of French government loans.

Pilkington in deal for $140m Polish glass works

By Christopher Bobinski in Warsaw

PILKINGTON, the UK glass maker, has signed a letter of intent with Poland's Sandomierz glass works jointly to build a $140m (£72.9m) float glass plant there.

The equity value of the venture will be about $48m with International Finance Corporation, the World Bank associate, taking a 15 per cent share.

It is hoped the plant will start up operations early in 1994.

Sandomierz has been negotiating with Asahi Glass of Japan for some years, and the Pilkington proposal would mark the largest British investment in Poland to date.

At the moment, Poland has 1,500 foreign joint ventures in operation, of which 5 per cent are part-British.

The letter of intent comes as the Polish government is due today to discuss foreign investment law changes.

These include provision for unlimited transfer of profits abroad and removal of the need for permission for foreign joint ventures with private-sector companies.

Three-year tax holidays are to be maintained in priority areas, and where foreign investment exceeds $2m.

Japan responds with calm to Gatt crisis

But bureaucrats are busy mapping out a new trade strategy, reports Robert Thomson

FOR a country perceived to be uniquely vulnerable come the collapse of the world trading system, Japan has responded with a strange calm to the crisis in the Uruguay Round negotiations to liberalise world trade.

Japanese ministers have deferred discussion of the issue, preferring to concentrate on year-end party obligations and other matters of pressing local interest, while some politicians presume that the trading order's demise would highlight Japan's economic strength and the weakness of the competition.

But in the two weeks since the collapse of the Brussels talks, there has been considerable bureaucratic activity behind the political complacency and corporate silence. And Japanese negotiators are close to finalising the conditions on which they will open the rice market to imports.

The problem is timing. For domestic political reasons, officials still have no plan to make an offer before the EC and US reach agreement on agriculture, as a decision to allow rice imports will hurt the ruling Liberal Democratic Party, which wants to keep the public debate brief.

A popular proposal circulating within the Agriculture Ministry – aggressive in its public opposition to rice imports – provides for amendments to a Swedish submission made two weeks ago that 5 per cent be set as a minimum for compulsory imports of presently banned products.

The Japanese proposal, unlikely to hit the negotiating table before the last of the deadlines, is for a two-tier system, with a 5 per cent opening for some products and a 3 per cent level for products crucial to "food security", which, in Japan's case, means rice.

Japanese negotiators say that the principle of "food security" must be enshrined in any Gatt package on agriculture, and that future increases in the 3 per cent level must be considered as a separate issue from a broadening of access for products in the 5 per cent category.

With rice policy virtually settled, albeit privately, Japanese officials have unexpectedly praised EC flexibility and condemned the US for intransigence on agriculture.

Mr Noboru Hatakeyama, director-general of international trade policy at the Ministry of International Trade and Industry, last week said that the US and Cairns Group had been "very, very rigid" during the Brussels negotiations.

He was probably articulating a frustration felt by his negotiators at US inflexibility on a range of issues, and reflects disappointment at problems arising in negotiations over intellectual property.

"What we can see now is a problem present from the very start of the Uruguay Round. Some people in Washington have seen the round as an attempt to make the rest of the world more like America. This should be a give and take process, but these people are not counting what they have gained, they only count what they have lost," a senior negotiator said.

He is perturbed by the influence of US industry advisers, whom he says have taken a dislike to the emerging Gatt package and have become belligerent: "They are very self-righteous. They have a certain self-image, and the negotiations are showing the economic reality is slightly different. They don't like that."

A second reason for Mr Hatakeyama's sudden embrace of the EC is apparently related to the growing perception in Tokyo that relations with the Community must be cultivated and that past trade policy has been too heavily weighted towards Washington.

Japanese negotiators feel that they have Washington's measure, but admit to difficulties in understanding how conflicting national objectives are blended into EC policy.

The government is watching closely for signs of an improvement in relations between the US and EC, and even Japanese negotiators have sought explanations from foreign diplomats about the personalities and attitudes of President Mitterrand of France and Chancellor Kohl of Germany.

Tokyo's faith in the durability of trade harmony regardless of a successful Uruguay Round seems surprising. Mr Hatakeyama presumes that Gatt rules will continue to operate even if the Gatt collapses. Other Miti officials believe that too much work has been done on issues such as investment measures, intellectual property and anti-dumping for the round to be completed without agreement in some of these areas, regardless of the fate of agriculture.

A senior Agriculture Ministry official said that the world trading system is now "so interrelated" that "we can't conceive of any situation in which Japan would be hit hard without other nations being hit hard".

"The US is always trying to create a crisis. Our position is to proceed in a calm manner with realistic ambitions. US negotiators should be more realistic," the official said.

Unfortunately for Japan, this laid back approach is winning few friends and is soaking up goodwill in Washington. If Gatt negotiations on agriculture remain unsettled, and Japan keeps its proposal in a desk drawer, the US could resort to bilateral methods.

This scenario was considered in an editorial in the Nihon Keizai Shimbun, the leading economic daily: "By failing to act, Japan has made one choice – increasing the likelihood that the US will resort to bilateral negotiations to press for the opening of the rice market...this would give rise to bilateralism at the expense of multilateralism."

To highlight the point, the US Rice Millers' Association has just announced plans to file a complaint against Japan under Super 301, the punitive section of US trade legislation. Mr Clayton Yeutter, the US agriculture secretary, prides himself on having done Tokyo the favour of keeping rice off past hit lists – is he ready to do Japan another favour?

Export credit signed for Bahrain smelter project

By Stephen Fidler, Euromarkets Correspondent

AN UNUSUAL $580m (£302m) export credit arrangement for an aluminium smelting project in Bahrain has been signed, virtually completing a financing which has taken two years to assemble.

The export credits, provided by a group of banks with the guarantees of the export credit agencies of Germany, France, the UK, Italy and Belgium, are unusual in that they are secured against contracts for future deliveries of aluminium.

Although international banks are used to such security, most export credit agencies are not familiar with the concept and prefer to lend with a sovereign guarantee.

However, the government of Bahrain was not willing to provide its explicit guarantee for the financing of the project, although it has agreed to off-take some of the product.

Financing for the project, an extension to the existing Aluminium Bahrain smelter, totals $1.45bn and follows equity and commercial bank agreements signed in July this year. The expansion includes an 800MW power station and increase capacity to 460,000 tonnes a year. Bankers said Iraq's invasion of Kuwait had probably delayed completion of the financing.

Chase Investment Bank and Gulf International Bank were financial advisers to Alminium Bahrain.

Prague and Moscow reach trade pact after oil row

By Leyla Boulton in Moscow

CZECHOSLOVAKIA has concluded a trade and economic agreement with the Soviet Union for 1991 after resolving a bitter row over oil supplies.

Under the deal, Moscow will supply Czechoslovakia with 7.5m tonnes of oil, an amount which still falls way below an initial Czechoslovak request for 13m tonnes, or this year's level. The Soviet Union, in the throes of economic crisis, caused severe economic disruption to its East European partners by failing to honour commitments for subsidised oil deliveries this year.

Instead of 16.6m tonnes promised for 1990, Czechoslovakia received only 13m tonnes. Prague in turn threatened to cut back exports of food and industrial goods and to deal directly with individual Soviet republics.

It then began by-passing Moscow for oil supplies, obtaining 200,000 tonnes of oil from Siberian producers in Tyumen in exchange for food and consumer goods. Prague hopes to increase locally-obtained supplies by equipping individual Soviet enterprises with machinery and technology. The 7.5m tonnes is simply the amount guaranteed by the Soviet government.

Although Soviet oil exports will for the first time be calculated at world prices in hard currency from January 1, it will still be cheaper than other sources because it is pumped into Czechoslovakia through the Druzhba (Friendship) pipeline.

The agreement, signed here on Monday during a visit by Mr Vaclav Vales, the Czechoslovak deputy prime minister, also officially clears the way for Prague to deal directly with individual Soviet republics. Mr Pavel Svoboda, economic counsellor at the Czechoslovak Embassy in Moscow, said experts were already working on new economic accords with Russia, the Ukraine and Uzbekistan.

Prague wanted oil from Russia, coal and precious metals from the Ukraine and cotton from Uzbekistan, he added. In return, it proposed to sell them food, consumer goods and machine tools.

Private-enterprise Poles push into new Soviet market

By Christopher Bobinski, recently in Minsk, Byelorussia

POLISH COMPANIES are increasingly turning to the vast Soviet market after years of complaint that trade with the Soviet Union was ruining their country.

Russian unwillingly learned in school is being brushed up as private and state business sectors, pressed by low domestic demand, try to survive by recapturing the 9 per cent share of the Soviet market Poland had under the Comecon trading system.

After 11 months of this year, exports to Soviet Union at Roubles 5.5bn are 17 per cent down on the same period last year, but a 42 per cent fall in imports means Poland has a trade surplus worth Rbs 2.6bn.

January 1 will see a switch to hard currency pricing, and exports will be vital if Poland is to be able to pay for key purchases of Soviet oil and gas. Next year's budget projections foresee a $1.1bn (£570m) trade deficit on overall exports worth $14.5bn, against this year's $4bn surplus in trade with hard-currency partners.

Polish salesmen are braving the hardships of crowded border crossings, to search for Soviet clients with either hard-currency or goods suitable for barter.

In Minsk last week, at Partner Bis, a fair organised by Perfect Agio, a private Gdansk-based trading company, the offensive ground to a halt. The 130-or-so private and state sector companies encamped in the exhibition centre found to their dismay that their Soviet partners still had no clear idea what rules are going to apply from the start of 1991.

But business done over the week, at the cost of some $1,400 a stand, amounted to $17m and Rbs 47m, a fall on a similar fair in Minsk in October which delivered contracts worth $67m and Rbs 168m.

State-owned giants which under the old agreements were certain of delivering 70 per cent of their construction machinery to the Soviet Union, were present in Minsk ready to barter a mechanical digger for safety matches if need be, because of the problems of selling their goods.

Others were simply offering western products, hoping to be paid even in Soviet plastic buckets and plastic toys. Also on offer were deliveries of 3,000-tonne tanker-loads of diesel fuel, the first Soviet petroleum products imported by a private Polish company.

Aristide emerges as president of Haiti

By Canute James in Kingston

ELECTION officials in Haiti say there will be no need for a run-off to decide the country's next president because radical priest Father Jean-Bertrand Aristide appears to have won about two thirds of the votes cast in presidential and legislative elections on Sunday.

However, Mr Marc Bazin, a conservative economist who came a distant second, has asked the electoral commission to declare null and void the vote in some regions.

The request is unlikely to be entertained as hundreds of foreign observers who witnessed the voting said there was no visible fraud although there were administrative problems.

The conduct of the elections, which took place under threat of violence from thugs loyal to the Duvalier family dictatorship which was overthrown in 1986, has been welcomed by the US. "The Haitian army and the security forces acted admirably," said Mr Richard Boucher, a spokesman for the US State Department. "We call on all parties to respect the result of the election."

Haiti's Caribbean neighbours have welcomed the conduct of Sundays's elections, and have suggested immediate international financial assistance for the country.

"Haiti is now in the democratic fold and it is for us in the Caribbean to keep it there," said Mr John Compton, prime minister of St Lucia, who was in Haiti as an observer of the poll.

Supporters of Jean-Bertrand Aristide ride by the National Palace in Port Au Prince, Haiti

"Haiti has been stalled for a long time and now needs a jump-start. The international community must move quickly and get some money into Haiti." The country is among the poorest in the Americas.

Fears of post-election violence increased on Monday night following the death of a pregnant women and injury to several people when a group of men, said to be policemen, opened fire indiscriminately on a crowd celebrating the expected victory of Father Aristide.

Police denied involvement, according to local radio reports yesterday. They quoted police officials as saying that police merely shot over the heads of the crowd, and that the woman had been run over by a pickup truck accidentally.

The incident came after extraordinarily peaceful elections. Observers from the United Nations and the Organisation of American States (OAS), and an international team led by former US president Jimmy Carter, praised the vote and had warm words for the army, which had been widely blamed for acquiescence in the violence that halted 1987 elections.

Foreign officials also expressed optimism that multilateral financial agencies and developed countries would provide economic aid to a democratic Haiti.

Argentina paralysed by reports of 'mutiny'

By John Barham in Buenos Aires

FALSE radio reports of Argentine tank movements triggered fears of another military uprising and briefly paralysed the country on Monday evening.

Two armoured columns were reported to be advancing on the provincial town of Chajari, where the garrison began to dig in to face the attackers. In Buenos Aires, President Carlos Menem called an emergency meeting with the defence minister and army commander to assess the threat.

Two weeks earlier, fighting had erupted only yards from the Casa Rosada, the presidential palace, after a mutiny by army rebels.

Officials quickly dismissed Monday's reports as a hoax put about by extremist factions in the army, spread by irresponsible journalists and accepted unquestioningly by the public.

Mr Menem swiftly suppressed the December 3 uprising and claims the military has been "pacified". But the panic over the fictional battle of Chajari demonstrates that nobody believes this.

White House retreats on race scholarships ban

By Lionel Barber in Washington

US president George Bush yesterday ordered the Education Department to retract a decision to ban race-based scholarships to colleges and universities. The decision had raised a storm of protest from civil rights groups and disquiet among cabinet members.

The task of announcing one of the administration's fastest about-turns in recent memory fell to Mr Michael Williams, the 37-year-old assistant secretary who drafted the controversial policy and who happens to be black.

"It was indeed politically naive," said Mr Williams, an amiable and articulate Texan who has successfully prosecuted Klu Klux Klan members but who confessed yesterday that he never imagined he could provoke such an uproar in Washington.

Only last week Mr Williams unveiled the decision to bar federal aid to colleges and universities which were offering scholarships restricted to minority students.

Coming amid a national debate on whether blacks and other minorities should continue to receive favoured treatment, or "affirmative action", the ruling proved explosive. It was not cleared at the White House.

Mr Bush let it be known he was "disturbed" by the decision and yesterday's retreat looked much like unconditional surrender.

Federally funded universities will nowbe allowed to hand out scholarships reserved for minority students if private donors or foundations so mandate. The department also pledged not to enforce "broad compliance" with respect to minority scholarships and to review legal restrictions on such scholarships imposed by courts.

However, private universities receiving federal aid may not fund race-exclusive scholarships with their own money.

Under Mr Williams' original ruling, need-based aid and minority scholarships set up by private organisations would still have been allowed, provided race was not the only factor involved in the award.

But that did not prevent heated questioning at yesterday's news conference. Asked by a black reporter how he felt being a "lackey of the establishment and the white power structure, Mr Williams stood his ground. "I think we have to be very careful before making any decisions based on race," he said.

George Bush; 'disturbed'

Behind the issue lies widespread unease about the fragility of black achievement in higher education, more than 25 years after the passage of the Civil Rights Act.

According to the latest statistics, black enrolment in colleges and universities in 1988 was 8.7 per cent of the national total – a marginal gain over the previous year but still low given that blacks comprise 12.4 per cent of the population.

But the controversy over affirmative action seems certain to continue, not least because some conservatives believe that opposition is a vote-winner among whites and the growing number of non-black minorities.

Third World debt burden reported to be easing

By Michael Prowse in Washington

THE Gulf crisis is placing severe additional financing strains on many developing countries and threatens to undermine recent progress in resolving the Third World debt crisis, says the World Bank in its latest assessment of debt trends, published today.

Total external debt rose 6 per cent in 1990 to a record $1.34 trillion, the bank says. But the burden is more sustainable than in the late 1980s because the ratio of both debt to exports and debt service to exports has fallen. This reflects buoyant growth of exports in recent years and the success of official debt reduction initiatives, such as the plan named after Mr Nicholas Brady, the US Treasury Secretary.

But the bank warns that the composition of debt has changed markedly with a "significant and unsustainable increase in reliance on official creditors". There is also a long-term risk that insufficient external finance will undermine the adjustment efforts of developing countries. The need to mobilise domestic savings is thus greater than ever.

The ratio of debt to exports for all developing countries fell from 232 per cent in 1987 to 187 per cent in 1989; the ratio of annual debt service (interest plus amortisation) to exports fell from 28 per cent to 22 per cent. A further small improvement in these ratios, which provide a guide to the sustainability of debt burdens, is projected for 1990.

The bank says middle income debtors have gained significantly from the Brady Plan, which offers debt relief in countries which agree "sound adjustment programmes". Agreements concluded with Mexico, Costa Rica and the Philippines have reduced the face value of commercial bank debt by $9.5bn; an agreement scheduled to be completed with Venezuela by the end of the year will achieve a further $2bn reduction.

The deals cover about $65bn of outstanding commercial debt and will achieve big savings in future payments of interest and principal.

Severely indebted low income countries, mainly in sub-Saharan Africa, have also won important concessions. Bilateral agreements have led to the forgiveness of $5bn of Overseas Development Assistance debt. The Paris Club of official creditors has rescheduled nearly $6bn of debt on the concessional terms agreed at the 1988 Toronto economic summit. And donors have pledged nearly $8bn in concessional finance for the second phase of the bank's Special Programme of Assistance for distressed African countries, roughly twice the sum disbursed to date.

These gains, however, have been offset by a worrying build up of arrears on interest payments, which rose by $7.8bn in 1990. The most intractable problems involve unpaid interest on commercial bank debt in Argentina and Brazil.

The Gulf crisis is posing severe short-term adjustment problems. The bank calculates that higher oil prices and other adverse effects will cost oil importers the equivalent of 4 per cent of exports over the next three years. The burden for the poorest and most indebted African countries will be nearer 10 per cent of exports. Meanwhile oil exporters such Nigeria and Venezuela will enjoy windfall gains of 20 per cent of exports.

The bank says most oil importing developing countries cannot cushion the shock through additional borrowing and will need more concessional support.

The withdrawal from lending of commercial banks coupled with official debt relief schemes have caused a marked change in the composition of developing country debt. Long-term debt to official creditors has more than tripled since 1980 and, together with IMF credit, now accounts for 46 per cent of total debt. The share of official debt service in total debt service has risen to 37 per cent compared with 10 per cent in 1982.

Much of the risk associated with the debt crisis has thus been transferred from private to official creditors who may come under greater pressure to forgive official debt owed by middle income countries. (Such debt is not covered either by the Brady plan or by the easier terms agreed for poor countries by the Paris Club.)

The changing composition of developing country debt represents a big reversal from the late 1970s and early 1980s when commercial banks were dominant and a return to the pattern of flows considered normal in the 1960s. The composition of official flows has also changed with the share of grants and concessional loans rising sharply.

Aggregate net resource flows to developing countries have risen modestly since the mid 1980s. But they have not been translated into higher living standards because they have been more than offset by the costs of servicing external capital – interest payments on loans and remittances of profits on foreign investment.

In a reversal of normal development patterns, Third World countries thus continue to export more goods and services to industrial countries than they receive in imports. The debt crisis thus remains far from resolved.

Editorial Comment, Page 14

Uruguay debt plan backed

By Stephen Fidler, Euromarkets Correspondent

URUGUAY'S commercial bank creditors have all responded to a debt restructuring proposal, allowing the agreement to be signed in Montevideo on January 31.

Banks covering 39 per cent of the debt said they would sell their debt for cash, at a price of 56 cents on the dollar; 33 per cent said they would exchange their old loans for concessional 30-year bonds carrying a 6% per cent coupon; and the remaining 28 per cent would make new loans equivalent to 20 per cent of their existing exposure.

Bankers claimed the government was pleased with the mix of choices. Among the banks which have chosen to extend new loans were Citicorp, which heads the country's bank advisory group, and Lloyds of the UK.

● THE MIDDLE EAST

Iraqi atrocities in Kuwait spelled out by Amnesty

By Victor Mallet, Middle East Correspondent

AMNESTY International, the London-based human rights group, today publishes the most detailed account so far of Iraqi atrocities in Kuwait, including the torture, rape and killing of the country's citizens and foreign residents.

The Amnesty report* says Iraqi forces, which invaded Kuwait on August 2, took several thousand prisoners and left more than 300 premature babies to die after looting incubators from Kuwait's main hospitals. "The Iraqi forces' brutality in Kuwait has shocked many people in the last four months," Amnesty said, "but such abuses have been the norm for people in Iraq for more than a decade."

Amnesty details 38 methods of torture used by the Iraqis in Kuwait, including mock executions, the severing of tongues and ears, gouging out of eyes and electric shocks.

Most of the reported abuses took place in the first three months after the invasion, when resistance was strongest. "The severity of the early suppression appears to have crushed much of the opposition that led to arrest, torture and killing," it says.

"Time and again we were told that the most common way soldiers killed people was to take the victim to his family's doorstep, have his relatives identify him, and then shoot him in the back of the head." Some people were killed for resisting the "Iraqisation" of their country by carrying Kuwaiti money or refusing allegiance to President Saddam Hussein, the report said.

Corrupt soldiers and officials were often willing to free their victims in exchange for money or video recorders. Although most of the detainees were Kuwaitis, those held included Jordanians, Syrians, Egyptians and Asians.

Amnesty has collected the names of about 1,000 people arrested, but it is thought that thousands, some as young as 13, are still held in Iraq and Kuwait.

A 31-year-old doctor told Amnesty that five or six bodies were brought each day to his hospital. "Many bore marks of torture," he said. "Judging by the bodies that I personally saw, the methods of torture being used included the extinguishing of cigarettes on the body; burning of the skin with heated metal rods; application of electricity; cutting off of the tongue and ear; gouging out of the eyes and the breaking of limbs."

**Iraq/occupied Kuwait: Human rights violations since August 2, Amnesty International, 1 Easton St, London WC1X 8DJ.*

Hong Kong policemen cycle along the border with China. Police took over border security from the British army this month.

Share dealing returns to Shanghai

John Elliott on the opening today of China's latest stock exchange

JUDGING BY a procession of Hong Kong dignitaries and investment fund managers to Shanghai this week, one might be forgiven for believing that this once grand financial capital of China is about to become fashionable as Asia's latest emerging stock market.

Led by Baroness Dunn, one of Hong Kong's leading politicians and head of its trade development council, and by Sir Quo Wei Lee, chairman of the colony's stock exchange, the visitors are attending a jamboree put together by Mr Zhu Rong Ji, Shanghai's ambitious mayor, to celebrate the opening today of the city's stock exchange.

There are only 15 traded stocks in China, so there is unlikely to be a stampede from foreign players, although some limited foreign involvement is being considered.

Today's event is important because China is beginning, hesitantly and with little apparent top level co-ordination, to develop the capitalist concept of financial markets.

The central government's primary aim is to create a secondary capital market in interest-bearing bonds to help solve its own acute cash shortage. There is thought to be about Yuan 114bn (£11.2bn) worth of bonds already in circulation, and about Yuan 650bn savings in the banking system which the government would like to tap.

A secondary market could also lend legitimacy, and possibly some popularity, to bonds which the government has forced on workers through deductions from wages.

How markets can function in such a society has, however, not been thought through, and there are considerable misunderstandings among Chinese officials about what is involved. But the momentum is there.

Three weeks ago the country's first nation-wide securities trading system was launched, linking six cities and 18 licensed corporations for trading in government treasury bonds. Called Securities Automated Quotations System (STAQ), this is a Chinese version of the Nasdaq securities system in the US. But regional rivalries are slowing integration.

The main promoter is Mr Wang Bo Ming, the Harvard-educated vice-president of Peking's reformist Stock Exchange Executive Council, who says he would like to include stocks as well as bonds. Mr Li Peng, the prime minister, is believed to be in favour, but there were no senior Chinese leaders at the launch in Peking, raising questions about the degree of top level support.

In the south, the free market-oriented special economic zone of Shenzhen adjacent to Hong Kong, has been running a chaotic stock market since 1987 and has five listed companies. Rampant speculation, much on a kerb-side black market, pushed market capitalisation last month up to more than Yuan 7bn and government restrictions have been imposed.

Government officials have been prominent among speculators reaping massive profits and have now been banned from trading. As a result Shenzhen is in disgrace and Peking has not yet given it approval formally to open a new stock exchange headquarters and trading floor.

Shanghai, which has seven quoted company stocks and 25 listed bonds, is therefore in the lead. This reflects the importance attached to the city by Peking, where a powerful Shanghai lobby, led by Mr Jiang Zemin, the party secretary and Shanghai's former mayor, favours the city in preference to what is seen as the corrupt and unruly south.

Mr Zhu has central support for trying to return Shanghai to some of its former glory with foreign business involvement in projects led by a new $50bn (£26bn) development zone at Pudong across the Yangtze river from the main city.

The new exchange is located on the city's riverside Bund, the financial centre of pre-revolutionary Shanghai. It will bring together trading scattered around the city which amounted, according to official figures, to Yuan 1.8bn in the first nine months of this year.

The Shanghai exchange has arrangements for automatic and trading floor dealing and has a list of 20 eligible brokers which Mr Wei Wen-Yuan, head of the preparatory body, says is expected to rise to 50 within three to five years.

Mr Wei says that the emphasis will be on bonds, which are expected to be split into four categories: treasury bonds, construction bonds issued by provincial governments, financial institutions bonds and enterprise bonds.

Equities will be developed more slowly but there are plans for a special category of B shares denominated in US dollars which would cater for foreign-owned companies and joint ventures. The first could include a Hong Kong textile company owned by a prominent family from Shanghai or a local joint venture which as Volkswagen cars, which already has a bond issue, or Pilkington glass.

There are also discussions about allowing pilot schemes which would give foreign investors direct access to the market, though Mr Wei would only say that "in principle it should be in order".

This is being watched closely by Hong Kong financial services companies such as Barings and Jardine Fleming as well as by Indo-Suez Asia, which wants to finalise a $25m country fund called the Shanghai Fund within a couple of months.

But there is considerable nervousness in China about recent developments. A Chinese news agency recently reported a Shenzhen government edict that each item of stock news should be accompanied by a government warning to unwitting speculators that there can be losses as well as profits:

"Think carefully before you decide to trade in stocks. You must be prepared to take the risk this kind of investment will cause".

Diplomatic war of nerves on Iraq talks

By Richard Tomkins in Baghdad

IT appears to make no sense. If Iraq is sincere in its desire for peace, why will it not accept an early date for talks with the US over the Gulf crisis?

It seems like a procedural quibble.But from an Iraqi perspective, President Saddam Hussein has sound reasons for digging in his heels.

Nine days at present separate the two sides. Iraq has invited Mr James Baker, the US secretary of state, to meet President Saddam in Baghdad on January 12, but President Bush insists January 3 is the last possible date.

Washington says the earlier date is necessary to allow time for Iraq to comply with the United Nations deadline of January 15 for the withdrawal of its troops from Kuwait.

The flaw in this argument, as seen from Baghdad, is that the UN deadline is largely irrelevant. All that really matters is that talks should take place in time to prevent the outbreak of hostilities, whenever that might be.

Whatever hopes were pinned on a meeting between Mr Tariq Aziz, Iraq's foreign minister, and EC ministers, disappeared yesterday when foreign ministers in Brussels decided not to see him without his first having met President George Bush. Mr Aziz was due to have met the ministers in Rome on his way home from the talks he was supposed to have had with Mr Bush on Monday.

Delayoperates to Iraq's advantage.

It not only provides the opportunity for anti-war sentiment to grow in the West. It also increases the likelihood of cracks appearing in the anti-Iraq alliance and offers the hope an Arab initiative could emerge, providing a more attractive solution to Iraq than a US-sponsored one.

Now committed to its own date it has become impossible for President Saddam to bow to Washington's deadline because of the importance of entering talks in a position of strength.

Mr Bush's stance is that the sole aim of the talks is to convey the allied forces' determination to use force to secure Iraq's unconditional and complete withdrawal from Kuwait.

Mr Saddam's equally determined position is there must be dialogue, and it sees little prospect of achieving this if it makes conciliatory gestures before meetings have started. To that extent, President Saddam may have calculated it would be better to have no talks at all than agree to them on Washington's terms.

This does not mean the talks are off. Iraq yesterday was standing by its determination not to be "dictated to" by the US, but mention of January 12 has disappeared from the rhetoric. January 6, 7, or 8 could well emerge as a compromise date - but someone else may have to make the next move.

Saddam's options considered

MR Harold Walker, the British ambassador to Baghdad, yesterday added to speculation that Iraq's president Saddam Hussein could try to seize the initiative from the US-led alliance in the Gulf, possibly by staging a partial withdrawal from Kuwait or by stirring up trouble in Jordan, Victor Mallet writes.

Mr Walker described Mr Saddam as a "very able, very clever leader" who would be thinking hard of ways to extricate himself from the crisis.

A partial Iraqi withdrawal from Kuwait was "very much on the cards", said Mr Walker.

One of the most pressing worries within the alliance is that Mr Saddam will attempt to bring Israel into the conflict, possibly by provoking the Israelis through some kind of intervention in Jordan.

Washington's Arab allies in the Gulf would be deeply embarrassed if they found themselves on the same side as Israel in any war, and the west is hoping that Israel will maintain a low profile for as long as possible.

Taiwan bank scandal charges

TAIWAN prosecutors yesterday charged 81 people in connection with a multi-billion dollar underground bank scandal which imperilled the savings of hundreds of thousands of small investors, Reuter reports from Taipei.

A spokesman for the Taipei District Prosecutor's Office said Shen Chang-sheng, former head of the Hung Yuan investment group, was among those charged with fraud and violations of the banking, corporation and securities laws.

Also charged was former Hung Yuan president Yu Yung-ming.

At its height in early 1989, Hung Yuan claimed assets of $3.6bn.

These included a department store in the centre of Taipei and land and branch operations in countries ranging from Hong Kong to Turkey.

China inflation rate sets off alarm bells

CHINA'S inflation rate edged up in November as slack market demand, bane of the national economy in 1990, began to expand, the official newspaper Economic Information said.

Last month inflation ran at 5.3 per cent, compared to November last year. That was a jump of 1.7 percentage points from October's year-on-year rate. While this may not seem much, in China inflation causes exceptional alarm because for 35 out of the 41 years of communist rule, prices hardly moved at all.

Some fuel prices rose by an average 50 per cent in 35 cities in China, compared to the same month last year, the newspaper said. Prices of some cotton goods and household products have also been raised over the last two months, and the price of grain will soon go up.

Inflation surged to a peak of 30 per cent in 1989, adding to anti-government resentment that motivated mass demonstrations. The protests were crushed by troops in Peking with heavy loss of life.

Demand also increased in November with retail sales rising by 10.3 per cent to Yuan 70.8 bn ($7bn) over the same month a year ago. That growth far outstripped the 1.1 per cent rise in sales seen in the first 11 months of this year over the same period in 1989.

But November's economic pick up came at a price. In spite of the official austerity programme, which began in late 1988, domestic loans in China soared to a record yuan 248.6 bn in the first 11 months of the year, up from yuan 102bn a year ago.

Tokyo warned over cutting trade surplus

By Stefan Wagstyl in Tokyo

THE OECD has urged Japan to avoid interfering with free market forces in attempting to ease trade frictions with the US and other countries.

Instead, Japan should continue its efforts to create a more open economy by further deregulation, particularly in agriculture and in the land market, says the OECD in its annual report on Japan.

The OECD says that government efforts to reduce the trade surplus by giving subsidies for imports of manufactured goods "tend to distort nations' comparative advantage and are hard to justify on purely economic grounds".

The report acknowledges such actions help to quell protectionist sentiment abroad. But it says: "Any direct interventions in business activities by fixing official targets either for Japan's current surplus or for shares of foreign suppliers in specific markets interfere with the operation of market forces and should be resisted." This is a reference, among other things, to the US-Japan Semiconductor Agreement, which set numerical targets for the share of the Japanese chip market to be won by foreign producers.

The OECD says it recognises the need for further changes in the management of the Japanese economy to ease market entry for foreign companies. But such measures need to work with, rather than against, market forces. The government should, for example, make greater use of the Antitrust Law, says the report.

The authors suggest previous attempts to interfere with market forces may already be causing distortions. Current downward pressure on the yen is largely due to the big flow of direct investment overseas, says the report. However, the decline in the yen (over the past year) has not boosted exports by as much as might have been expected.

"The persistence of widespread 'voluntary' restraints on Japanese exports would be an element suggesting that the present trade surplus may indeed be artificially low and foreign direct investment (to circumvent voluntary export restraints) artificially high, contributing to the weakness of the yen."

The OECD urges Japan to continue opening its markets to promote growth and open access.

Banks hold back on loans

By Robert Thomson in Tokyo

JAPAN'S money supply in November grew by 10 per cent from a year earlier, down from the 11.8 per cent increase in October, as banks restrained lending under pressure from the Bank of Japan and international capital adequacy requirements.

The growth was weaker than expected and will add weight to expectations of a cut early next year in the Official Discount Rate (ODR), which the central bank has lifted to 6 per cent from 2.5 per cent over the past year to curb excessive economic growth.

A Bank of Japan official said demand for funds remained strong and there were signs that instead of using commercial paper issues for large lot deposit investments, companies in need of funds were using the money for capital spending.

The 1.8 per cent month-on-month slowdown in growth, the largest since March 1974, was partly exaggerated by a change in pension payment dates from a year earlier, and by a sudden shift in funds from ordinary bank accounts to a special kind of high-yield, long-term account that falls outside the so-called M2 plus certificates of deposit classification.

Ershad inquiry team set up

By Reazuddin Ahmed in Dhaka

THE Bangladesh government has constituted a three-member inquiry committee to investigate the alleged corruption and abuse of power by General Hossain Mohammad Ershad, the ousted president.

The committee is headed by Justice Ansaruddin Ahmed, a judge of the supreme court. The committee will also probe corruption allegations against former ministers in Gen Ershad's cabinet and other government officers.

Gen Ershad is under protective custody. Only two ministers have been arrested; others are in hiding.

According to an official estimate, 63m people will vote in the parliamentary election billed for March 2.

Australian dollar sustains value

By Tim Blue in Sydney

THE Australian dollar has shrugged off a further easing in official interest rates.

The currency fell nearly half a cent to 76.2 US cents in foreign exchange trading in Sydney when the Reserve Bank of Australia cut official cash rates from 13 to 12 per cent. However, by the end of the day, the Australian dollar had recovered to 76.8 US cents.

Reserve Bank governor Bernie Fraser said that monetary policy on its own could not rectify Australia's economic problems. "But today's reduction in interest rates should provide some relief to viable businesses and encourage investment opportunities, without risking the hard won gains of inflation," he said.

He said that, given current and prospective developments in the Australian economy, including the improved outlook for inflation (now down to around 6 per cent a year), the Reserve Bank and the Government believed a further easing was appropriate.

Financial institutions picked up the Reserve Bank lead. The two biggest banks, the Commonwealth and Westpac, announced cuts of one percentage point in overdraft reference rates and housing mortgage rates respectively, while the New South Wales building society St George cut its variable housing mortgage rate from 15 to 14.4 per cent from January 1.

Mr Fraser said inflationary pressures were abating, with "practically all indicators pointing to smaller increases in prices and wages than we have seen for a long time. "This has been reflected in the financial markets, where yields on government bonds have fallen significantly in recognition of the improvement in inflationary prospects. At the same time, spending, production and employment are weak and likely to remain so for a while yet."

Ethiopian food accord

THE Ethiopian government and Eritrean rebels have agreed to reopen the rebel-held Red Sea port of Masawa for the first time in 10 months to take food aid to millions of drought victims, a United Nations relief agency said yesterday, Reuter reports from Nairobi.

Under the scheme a UN-flagged ship would ferry supplies to Masawa from Djibouti, further south on the Red Sea, early next month, the World Food Programme (WFP) said.

Masawa, the main port for Eritrea and the most efficient route for supplies to the drought-hit northern province, has been closed since it was captured last February by rebels of the Eritrean People's Liberation Front (EPLF).

The WFP statement said food delivered at Masawa would be taken to needy areas by UN trucks and divided 50-50 between government and rebel-held areas of Eritrea.

● Nearly 1.5m people in southern Angola are at risk from hunger, while the 300,000-400,000 residents of the Liberian capital of Monrovia are in urgent need of food, Save the Children, the British-based aid agency, said yesterday, Michael Holman writes.

The agency announced plans to send relief workers to Liberia and an expansion of its work in Angola's Huambo province.

Thais hold fragile political system together

Paul Taylor looks at the manoeuvring to give Bangkok a stable coalition government

THAILAND'S new coalition government led by General Chatichai Choonhaven, the prime minister, faces an uphill battle to convince the electorate, and foreign investors, that it is more than an interim administration of political convenience.

When he resigned two weeks ago, Gen Chatichai confronted dissension within his old cabinet, growing public discontent over allegations of influence peddling and steady pressure from senior military officers concerned about the loss of political influence.

Twenty-four hours later he was re-appointed prime minister and set about trying to form what he described as a more stable and "honest" regime. Late on Friday – the day a fortune teller reportedly consulted by Gen Chatichai pronounced the most auspicious day for government-making – the new Thai government, dubbed "Chatichai II" by the prime minister himself, was unveiled.

Out went the Democrats, the scandal-plagued Social Action Party and the Muan Chon party led by police Captain Chalerm Yubamrung, the controversial former minister in the Prime Minister's Office whose disputes with the military triggered off the last coalition's downfall.

In came the small Prachakorn Thai party and Solidarity, second biggest party in parliament after Gen Chatichai's Chart Thai party and until last week opponents of the government. They formed a five-party coalition with two smaller parties which were in the previous government.

With 227 MPs in the 357-seat House of Representatives (compared to 240 seats previously) Chatichai 2 has a comfortable but not overwhelming majority which in theory might survive the 18 months before scheduled elections. But there are deep internal divisions.

Several cabinet appointments have drawn heavy fire from the local press. Many in the new cabinet have little direct experience of their ministries and with a few exceptions are considered intellectual "lightweights," as one seasoned foreign businessman put it.

One exception is Dr Arthit Urairat, the new foreign minister. His business background suggests that foreign policy will remain aimed at turning Indochina from a war zone into a trading zone.

Perhaps the most controversial appointment was that of Mr Ban-harn Silapa-archa – a former interior minister – as finance minister. The financial community almost universally regretted his lack of experience in economic affairs, especially when the Thai economy faces a downturn and urgent fiscal and institutional reforms are needed.

Some solace was forthcoming last weekend with the news that Mr Chavalit Thanachanan, former Bank of Thailand governor, had been appointed deputy finance minister and is expected to preside over fiscal and monetary policy. Since it was criticism of the decision to raise interest rate ceilings that brought about the departure of Dr Virabongsa Ramangkura, the previous finance minister, this may be the hottest department in the government.

Another factor of critical importance to the domestic economy, and to foreign investors, will be the new cabinet's attitudes towards industrial and infrastructure projects which either have been agreed or are pending approval.

These include the Charoen Pokphan/British Telecom plan to upgrade Thailand's telephone service, the Hopewell Group's Bangkok elevated road and rail contract, the Skytrain project won by Lavalin of Canada and several petrochemical projects. Confidence in the new administration will be crucial to the funding of these new projects.

For the moment at least it is likely that the Chatichai II government will be given the benefit of the doubt. There is general agreement that he faced an acute dilemma before he resigned and was re-appointed. But the sometimes bizarre events of the past few weeks have served to highlight the underlying fragility of Thailand's political system.

First, although the military has seen its political muscle wither away in the face of a growing middle class closely allied to an ardently pro-business government, it can still exert pressure on a popularly elected civilian administration.

Second, the educated middle class and urban workers are increasingly fed up with political and financial corruption.

Third, despite Gen Chatichai's waning personal support, there is a political vacuum at the top which others, including General Chavalit Yongchaiyudh, a former deputy prime minister and defence minister and now head of his own military-backed party, are not yet ready to fill.

Gen Chatichai now faces a delicate political decision. He could battle on with his new coalition until elections in 1992. Or, as many now suspect, he could call general elections early next year, before the economic downturn begins to bite and before his political rivals can muster their forces

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UK NEWS

THE FUTURE OF NORTHERN IRELAND

Latest UK initiative may end deadlock over talks

By Ralph Atkins

FRESH PLANS being developed by the government for starting formal talks on Northern Ireland's political future have won backing by Unionist leaders, reviving hopes that a year-old initiative could get off the ground.

Proposals discussed last week by Mr Peter Brooke, Northern Ireland Secretary, with Unionist leaders envisage negotiations starting early next year.

On the sensitive issue of the timing of the Irish government's entry, Mr Brooke would take an active "referee" role, but leave the decision largely to local political leaders involved in the first stage of talks.

The plans – so far still subject to modification – will be discussed with the Irish government within the next few weeks. Mr Brooke has repeatedly emphasised that any package has to be agreed by all participants but the success of his latest discussions with Unionists increases the pressure on Dublin not to be seen as resisting the tide.

Mr Brooke knows he still has a substantial way to go before talks can start. But, having previously said that he would "put up the shutters" if differences could not be resolved, his continuing efforts underlines his hopes for progress – if only at a slow pace.

Unionist optimism, particularly in the Democratic Unionist Party, grew substantially after a meeting last Thursday between Mr Brooke, Mr James Molyneaux, leader of the Ulster Unionist Party and the Rev Ian Paisley, DUP leader.

Under the plan discussed then, talks on internal government in the province would open in February between Northern Ireland's political leaders, including the mainly-Catholic Social Democratic and Labour Party. Dr Paisley has decided against a planned trip to India in February to be available if necessary.

Mr Brooke has steered away from earlier attempts to find a precise formula for determining when the Irish government would join for negotiations on relations between the two parts of Ireland and between London and Dublin.

Instead, Mr Brooke will play a "referee" role and make clear when he thinks Dublin should be brought in. Nothing would be decided on a devolved government until the whole package had been agreed and Unionists would emphasise their eagerness to move swiftly on to other areas of UK/Irish relations.

Since the summer, Mr Brooke's initiative has floundered over the timetable for negotiations that could replace the 1985 Anglo-Irish Agreement. Unionists say Dublin's role should be limited in talks on government inside Northern Ireland.

German retailer takes 19.5% stake in Harry Goodman's ILG

European investors eye lucrative air travel sector

By David Churchill, Leisure Industries Correspondent

WHEN Mr Harry Goodman became disenchanted with the London's financial community in 1987 and took his International Leisure Group tour operator and airline private, he suggested that 1991 would be "about the right time to come back."

Now he insists there is no prospect of this happening. "It is beyond my wildest dreams for us to come back to the market next year," he said yesterday. "I can't believe anyone would want to come to the market at present – and certainly not us. The end of 1992 would be the earliest we might consider it, and that's unlikely."

Mr Goodman was talking after this week's sale of a 19.5 per cent stake in ILG (or rather the privately-owned Hudson Place Investments which owns the company) to German retailer ASKO for an undisclosed sum.

This move may bring a respite in the speculation that has dogged ILG in recent months as a result of lost income due to the collapse of Exchange Travel, the hike in aviation fuel prices, and some unsavoury publicity about Mr Goodman himself.

Part of the speculation had also been caused by uncertainty over the intentions of the reclusive Swiss financier Mr Werner Rey, who has held a 49 per cent stake in Hudson Place for the past two years through his UK investment vehicle, Omnicorp.

"He's not the easiest man to get hold of and talk to about his intentions towards us," said Mr Goodman. "That couldn't help but lead to speculation."

Mr Rey's decision to reduce his exposure to ILG in the present climate is not as clear-cut as first appeared. Although 19.5 per cent of the shares have been sold to ASKO (they will be held by its subsidiary COMCO), the remaining 29.5 per cent interest was sold to Harpener, an industrial and financial holding company based in Dortmund, Germany. But Harpener is controlled by Mr Rey's Omni Holdings which took a stake of over 80 per cent in the company last year.

Mr Denis Strauss, director of the Omni Holdings London investment subsidiary Omnicorp, confirmed yesterday that Omni was still involved in ILG. "ASKO were very keen to get into the UK tour business and European scheduled airline network and we wanted to reduce our investment," he said.

"With the level of investment needed for airline expansion we might have had to put more money into Hudson Place (which owns ILG) and that would have taken us to over 50 per cent, which we didn't want," he added. "But we are confident in ILG's strategy of developing tour operating and scheduled airlines."

More interesting might be ASKO's plans for ILG. A number of German companies have shown interest over the past year in acquiring stakes in UK travel groups. The British consumer's growing desire to travel abroad – and further than most of their European counterparts – makes it an important and potentially lucrative market.

"They're certainly going to have their ideas about which way to develop," Mr Goodman admitted.

Air Europe, ILG's charter and scheduled airline operation which is the UK's second largest airline after British Airways, is the real attraction for foreign investors. With the battle for the North Atlantic air routes hotting up, spearheaded by US carriers United and American seeking to replace Pan Am and TWA, Air Europe's pan-European operations look attractive to an international airline seeking to use London as the 'hub' for continental destinations.

In the short-term, ILG's problem is how to cope with falling demand for package holidays – its bookings are down by about 10 per cent for next summer – and the uncertainty caused by the Gulf crisis.

Unlike the early 1980s, when Mr Goodman's flamboyant style was to spark off deep discounting to win market share, ILG in the 1990s adopts a more mature approach. "Our margins are not only holding up but improving because we're not discounting any more," he pointed out.

BRITAIN IN BRIEF

Nadir fails to raise £3.5m bail

Mr Asil Nadir, the chairman of Polly Peck International, has spent a second night in London's Wormwood Scrubs prison after his lawyers failed to raise the £3.5m bail – believed to be the largest figure set by a British court – fixed by Bow Street magistrates court on Monday.

The lawyers found sureties totalling £1.5m but were defeated by the mechanics of getting the additional £2m deposit the court required transferred to solicitors' accounts before the court's offices closed.

Mr Nadir has been in custody, first at Holborn police station and then in prison, since being arrested at Heathrow airport on Saturday.

He appeared at Bow Street on Monday facing 14 charges of theft of about £25m from PPI and a subsidiary and four of false accounting.

Polly Peck, Page 17

Public sector in the red

Public sector finances were heavily in the red last month, adding to expectations that the government may soon have to make new issues of gilt edged stock.

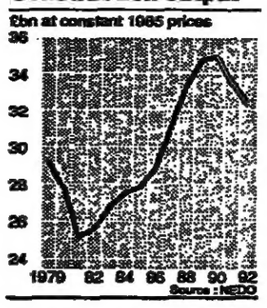
The Central Statistical Office reported that the public sector borrowing requirement was £1.32bn in November, more than twice the £500m median forecast of City analysts. Last month's deficit followed a £2.23bn surplus in October. It brought the public sector's accumulated deficit for the first eight months of the 1990-91 financial year to £4.5bn compared with a £2.9bn surplus in the same 1989-90 period.

The news raised fresh doubts over the government's autumn statement forecast of a £3bn public sector surplus in the current financial year.

Deep recession in construction

Construction output

£bn at constant 1985 prices



The downturn in the construction industry is likely to be longer and deeper than previously expected, according to forecasts by the National Economic Development Office (Nedo) published yesterday.

The industry's output is expected to fall sharply during the next two years. Any benefit to the housebuilding market from falling interest rates will be modest, and will provide little compensation for the big recession expected in commercial property development.

Nedo now forecasts that UK output will fall by 4 per cent next year and by 3.5 per cent in 1992. It had previously forecast a recovery in 1992.

Economic boost for N Ireland

Northern Ireland's economy received a boost with confirmation that a new science and technology park is to be built at Londonderry which is expected to create 1,000 jobs over the next five years.

The announcement came as the government gave details of £466m expenditure on economic development in the Province next year.

Mr Richard Needham, the Province's Economy Minister, said the park would provide Londonderry with high class facilities for establishing high-technology business and research initiatives.

TV companies seek ad ban

The ITV companies have asked the Independent Television Commission for permission to refuse advertisements for BSkyB, the satellite television venture.

ITV executives fear that the company formed out of the merger of British Satellite Broadcasting and Mr Rupert Murdoch's Sky Television could become a much more formidable competitor than the former satellite rivals.

The ITC has taken legal advice and asked for a response from BSkyB, a consortium in which Pearson, publishers of the Financial Times has an 11 per cent stake.

Compensation for firemen

Four firemen who suffered psychological stress as a result of fighting the 1987 King's Cross fire have been awarded a total of £34,000 agreed High Court damages against London Underground.

It is believed to be the first time that members of the emergency services have received compensation mainly for psychological rather than physical injuries. The awards ranged between £4,000 and £13,000.

More regional health funding

All English health regions will receive at least 4 per cent growth in revenue allocations next year under financial arrangements announced by the government.

Mr William Waldegrave, health secretary, in sharing between health authorities a £1.48bn revenue increase

William Waldegrave:

for 1991-92 announced in last month's autumn statement, has decided that no region should receive less than 4 per cent growth. He said this was "in recognition of the major changes to be made next year" when the government's health reforms are implemented.

The health secretary's decision means that the government will be forced to slow down a proposed shift to a weighted capitation basis of health funding.

Rail safety

British Rail will fail to meet its own safety target of next April for reducing the working hours of all staff directly involved in operating trains, according to an internal letter from Mr John Welsby, BR chief executive.

BR has reduced the hours of its signals technicians to a maximum of 72 a week in the wake of the Clapham train crash of 1988, but Mr Welsby said BR would not meet a similar set of targets for other categories of operating staff.

There are about 40,000 other operating staff, including the drivers and guards.

Lifeline for theatre group

The world famous Royal Shakespeare Company was last night thrown a £1.3m financial lifeline to help secure its future.

But it has been told it must do more to match extra Arts Council funding in a bid to cut its crippling £3.3m deficit.

The RSC's basic annual grant has been increased by £475,000 to £6,520,000 but the extra cash injection – still to be ratified by Mr Timothy Renton, the arts minister – may have answered the company's pleas.

The RSC has been forced to close its two London theatres, the 1,100-seat Barbican and The Pit, for four months to reduce overheads, despite good box office returns.

Blaze damages envoy's home

Fire has swept through the French ambassador's home in west London just a fortnight after he moved out to allow refurbishment.

More than 100 firefighters tackled the blaze at the four-storey Regency mansion in Kensington Palace Gardens. No one was injured but Ambassador Vicomte Luc de La Barre de Nanteuil has been forced to move to a temporary address.

UK NEWS

Strike threat recedes on North Sea oil rigs

THE THREAT of a renewed wave of strikes early next year by construction and maintenance workers in the troubled North Sea offshore industry receded yesterday as unions claimed a breakthrough in their campaign for recognition, writes Diane Summers.

For the first time since a series of unofficial strikes during the summer, the employers' organisation, the Offshore Contractors Council (OCC), has agreed to meet the unions for formal talks on the issue.

An additional sign of peace also came yesterday as Shell Expro announced that, "as a gesture of goodwill", it would be lifting a ban on the employment of workers who had taken part in sit-ins on Shell platforms during the summer.

Now, in a letter to Mr Tom MacLean, chairman of the joint unions' offshore committee and a national officer of the AEU engineering union, the OCC has suggested a meeting on January 10 in London.

The employers pointed out in the letter that the talks could only cover construction and maintenance work on platforms. The discussions "should not be construed as an opportunity to discuss a formal agreement to cover all work offshore," the OCC stated.

Yesterday the OCC said it felt that "things had calmed down sufficiently" for talks to go ahead but it was disappointed that the unions appeared to be railroad the OCC.

The unions had been waging a campaign for a single "continental shelf" agreement to cover all offshore workers, including, for example, catering and drilling workers. It now appears, however, that they are prepared to drop this demand – at least in the short term.

Separately, offshore catering workers have renewed their threat of industrial action and accused the employers, the Catering Offshore Traders' Association, of reneging on a negotiated pay settlement.

The OCC's invitation to talks on recognition for construction and maintenance workers was announced by unions as they left the Department of Energy yesterday after discussions with Mr John Wakeham, energy secretary, on the implementation of the Cullen report on the Piper Alpha disaster.

Mr Wakeham agreed with unions that any victimisation of North Sea oil workers who complained about safety standards would be "intolerable".

HOMELESS IN BRITAIN

London to receive £15m for hostels

By John Authers

THE government yesterday revealed details of a £15m spending programme to ease the plight of homeless people in central London.

The plans announced by Sir George Young, the housing minister, are aimed at rehousing people now sleeping rough on the capital's streets.

Mr Nick Hardwick, director of Centrepoint Soho – the charity which operates an emergency shelter for young homeless people – is to be seconded to the Department of the Environment (DoE) to help implement the proposals, Sir George added.

The latest proposals aim to provide an extra 1,000 beds in London and are part of a three-year government commitment costing £96m. The issue was raised last week after Mr John Major, the prime minister, promised to tackle the problem of homelessness.

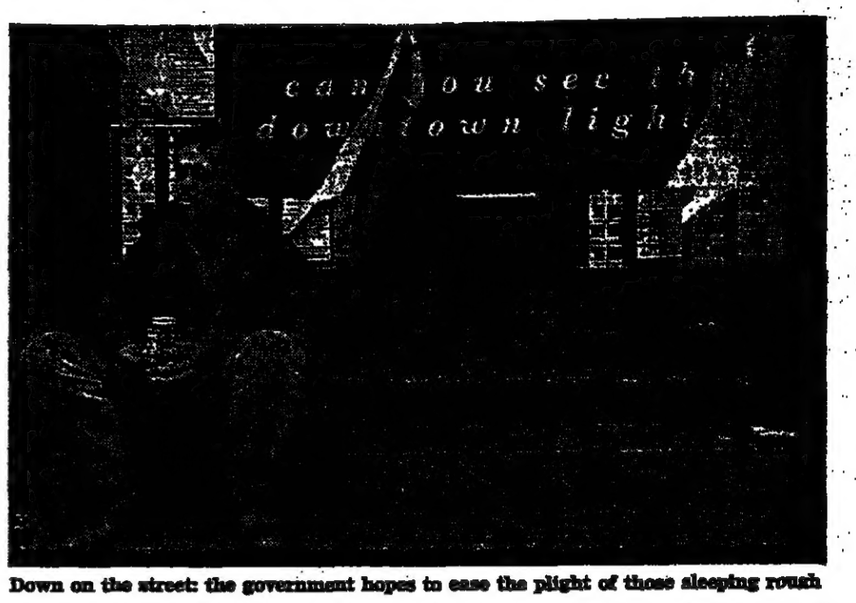
The £15m will be used to pay for 330 new hostel places in London, with a further 700 to be provided by housing associations for people moving on from temporary hostel accommodation.

The remaining £81m is to be allocated over the next two years to ease homeless problems outside London.

Charity workers welcomed yesterday's announcements, but called for a change in the structure of state benefits and for more action outside London. They also suggested that most of the spending outlined in yesterday's announcement was not part of a fresh initiative but had already been committed.

Shelter, the charity representing the country's homeless, yesterday said attention should not only be focused on central London but other parts of Britain.

It said children were sleeping in caves near Bristol in western England, and highlighted the case of one youngster in Bolton, in the north west, who built a shack in a field after failing to find a home.



Down on the street: the government hopes to ease the plight of those sleeping rough

Ms Sheila McKechnie, director of Shelter, said:

"While these proposals are extremely welcome, they are totally disproportionate to the size of the problem. Homelessness is not just a London problem. There are young people sleeping on the streets of every main town."

"None of this money is coming up here. It's just ridiculous."

A recent attempted census in Bristol suggested that around 500 people were sleeping rough. But Ms Sue Parsons, of Shelter's Bristol office, said such quotas were unreliable because many of the homeless were reluctant to take part in a census.

She suggested the measures taken in London would have little effect unless they were coupled with changes to the benefit system.

She cited the closure of mental hospitals and the introduction of the community charge, or poll tax, as policies which had aggravated the increase in the number of people sleeping rough.

Mr Hardwick, of Centrepoint Soho, said the problem did not rest solely with the department of social security, which arranges benefit payments to the unemployed.

He said: "For the initiative to work as fully as we would like, action is also required from other departments. Certainly I hope that we can get some changes or look at some of the issues around social security payments, look at what is happening for people with mental health problems – and a range of other issues that we can take on."

The London Housing Unit (LHU), which advises London councils on homelessness, accused the government of "dressing up an inadequate response to the issue of single homelessness by calling something new which is not new at all.

The LHU also doubted whether £15m would cover the extra 1,000 bed spaces which had been mooted by the DoE.

Commons told of 'disaster' in Amazonia

By John Hunt, Environment Correspondent

THE DESTRUCTION of the Brazilian rainforest is an "environmental disaster" but the rate of deforestation is not as great as some surveys have suggested according to the cross-party Commons Environment Select Committee.

The committee also expresses concern at slow progress in implementing the programme of scientific research on the rainforest which has been drawn up between the UK Overseas Development Administration and the Brazilian Government.

In a report published yesterday on its visit to Brazil the committee hopes the programme "does not founder through excessive internal administrative and regional difficulties."

The committee says the Brazilian National Institute for Space Research calculated by satellite analysis that 120,300 square miles of rainforest had been destroyed up to 1989, much less than the World Bank's figure of 230,000 square miles.

It also says a study for Friends of the Earth suggesting an annual rate for deforestation of 20,000 square miles had been overtaken by more sophisticated data from satellites showing that the correct figure was 9,000 square miles.

"It appears that the deforestation in Amazonia may not be as great as was previously thought" says the committee. "However, an annual loss of over 9,000 square miles of rainforest – an area roughly 20 per cent bigger than Wales – is in itself extremely serious."

It says that the Brazilian Government is firmly committed to environmental protection but faces a "Herculean task" in policing such a vast area.

A serious problem was posed by thousands of illegal gold-miners who had flooded into Amazonia, most of them penniless migrants trying to escape high unemployment.

"The situation was described to us as akin to that which existed in North America during the gold rushes 150 years ago when law and order in the Wild West was unenforceable or non-existent," says the report.

A Brazilian official told the committee; "They don't come for fun. The aim of the gold-miner is to become rich – or die."

Environment Committee, second report, Visit By The Committee To Brazil, HMSO, £11.90.

BUSINESS LAW

Insolvency administrators can use joint venture asset

GRIFFITHS AND ANOTHER v PROVINCIAL & CITY PROPERTY COMPANY AND ANOTHER
Chancery Division: Mr Justice Scott: November 22 1990

INSOLVENCY ADMINISTRATORS of a joint venture company have power to disclaim onerous contracts as between the company and the joint venturers if the true relationship was one of quasi-partnership in that the joint venturers, while protecting themselves from creditors by operating through the company, retained the joint venture's only asset in their own hands.

Mr Justice Scott so held on an application for directions by Mr Allan Griffiths and Mr Malcolm Shierson, administrators of P & C and R & T (Stockport) Ltd, a joint venture company set up by Provincial & City Property Co (PCP) and Rush & Tomkins Group plc (RT).

HIS LORDSHIP said that the business of the joint venture company was the development of a business park in Stockport, in four phases. The land belonged to Stockport Borough Council. The joint venturers were PCP and RT.

On January 24 1989 the council agreed to grant PCP a lease of the business park for 199 years. A £2.25m premium was to be paid for the lease, £56,000 of which was paid by PCP on signing the agreement.

The lease was dated June 28 1989. The parties were the council as lessor, PCP as lessee, and RT as guarantor. The agreement and lease together contained the joint venturers' obligations to the council, and vested the land in PCP.

The rights and obligations of the joint venturers *inter se* were dealt with by a joint venture agreement.

Their intention was that the company should be the corporate vehicle in the name of which the development would be carried out; and that they should jointly own and control the company.

Clause 1(i) of the joint venture agreement entitled PCP to act as "project co-ordinator of the development". By clause 3 the company undertook to do nothing unless both joint venturers agreed.

Clause 4(a) provided that the parties "shall seek to procure the novation of the agreement for lease and the lease in favour of the company ... to the intent that the company shall stand in the shoes of PCP ..."

By clause 5(h) the company was obliged to make payments to PCP in respect of increases in the value of the park over and above the value represented by the £2.25m premium.

Clause 15 provided: "Nothing in this agreement shall constitute or be deemed to constitute a partnership".

In about June 1989 a start was made on the development. It floundered.

The main contractor went into administrative receivership in April 1990. Subcontractors who had not been paid left the site. No work had been done since June.

The Co-operative Bank plc applied as unsecured creditor for an administration order in respect of the company. Administrative receivers were appointed by order dated June 15 1990, pursuant to section 8 of the Insolvency Act 1986.

The purposes of the appointment were (1) survival of the company and its undertaking as a going concern; and (2) a more advantageous realisation of its assets than would be effected on a winding-up.

There were unsecured liabilities totalling £5m. Unless and until some part of the development could be brought to completion the company had no realisable asset. The administration order was to provide a respite to enable the company to try and arrange finance to enable at least phase 1 to be completed.

With the creditors' approval the administrators negotiated with the bank. It was willing to advance further funds but required a legal charge over the lease as security.

The lease was vested in PCP. Before the company could grant the security it must procure the lease to be vested in itself.

Mr Leeming for the company contended that pursuant to clause 4(a) of the joint venture agreement, the company was entitled to call on PCP to transfer the lease.

Mr Moss for PCP contended that since the company did not propose to perform and was not in a position to perform its obligations to PCP under the joint venture agreement, it was not entitled to call for performance of PCP's obligations under clause 4(a).

Also, PCP objected to the administrators' intention to dispense with its services as project co-ordinator. It said the company was bound by the joint venture agreement and could not simply ignore PCP's contractual rights. A liquidator could disclaim onerous contracts; an administrator had no such power.

Mr Moss drew attention to the difference between an administration order and a winding-up order. That was a valid point. In *Re Atlantic Computer Systems (FT, August 1 1990)* Lord Justice Nicholls said: "In contrast to winding-up, an administration is intended to be only an interim and temporary regime ... a breathing space ... to give the administrator time to ... implement ... proposals approved by the creditors".

In general an administration order did not authorise administrators to break the company's contracts. There was no power of disclaimer such as was available to liquidators.

But whether that general principle applied to the joint venture agreement in the present case was another matter.

The agreement had many of the indicia of partnership. If the true nature of the relationship was one of partnership, insolvency of the joint venture would be a ground for dissolution, receivers and managers would probably be appointed, and the assets of which they would take control would include the leasehold interest.

As an alternative to partnership, PCP and RT could have entrusted their joint venture wholly to the company, with the company's Articles providing management control for each joint venturer, and joint venture assets vesting in the company.

If the joint venture had become insolvent, administrators would have had full control over assets including the lease, and would not have been bound by the Articles regarding management rights (see section 14(4) of the Act).

The scheme of the joint venture agreement was an amalgam of the two alternatives. The joint venture was to be carried out by a limited liability company while the joint venturers were protected from joint venture creditors. But the main asset of the joint venture, the lease, was not vested in the company. Instead it was retained in the name of PCP one of the joint venturers.

In such a case, the joint venturers' insistence on their rights under the joint venture agreement in order to control the administrators' attempts to salvage the development was objectionable.

The administrators were appointed to recommence development so that at least phase 1 might be completed and realised for the benefit of creditors. Neither PCP nor RT had any equity to stand in their way. The manner in which they carried out their task was subject to control by the court. PCP could apply to the court and ventilate pragmatic objections to their proposals, but it could not object simply on the ground that the proposals were inconsistent with its rights under the joint venture agreement.

The reasons for that conclusion were: (1) that in view of the insolvency of the joint venture, PCP, as at least a quasi-partner, had no equity to obtain specific performance of its contractual quasi-partnership rights against the company; (2) that to enforce the management and project co-ordinator provisions against the administrators would be inconsistent with the spirit and purpose of section 14(4) of the Act; (3) that insolvency of the joint venture and the company had frustrated the purpose of the joint venture agreement.

As to whether PCP could decline to transfer the lease, the question was one of construction of clause 4(a). The company had a beneficial interest in the lease, to take effect in equity immediately. Clause 4(a) contained an express declaration of trust; and any other construction would leave PCP in a position of preferred creditor of the company.

The administrators were therefore entitled, if they could procure a release of PCP from its lease obligations to the council, to have the lease vested in the company. PCP and RT's rights under the joint venture agreement would not be specifically enforced against the company, so long as it remained subject to the administration order.

For the administrators: Ian Leeming QC and Ian Little (Slater Heelis, Manchester)
For PCP and RT group: Gabriel Moss QC and Robin Dicker (Nabarro Nathanson).
For the bank: Brendan Hegarty (Addleshaw & Sons, Manchester).

Rachel Davies
Barrister

BUSINESS AND THE ENVIRONMENT

Christmas tree owners see the light

SINCE the 19th century, when Christmas trees were first brought indoors to adorn Victorian sitting rooms, they have been thrown out with the seasonal detritus of mangled wrapping paper and turkey bones. In the US, their traditional resting place was the landfill.

But in this age of shrinking landfill space and growing concern about solid waste disposal, environmentalists are promoting recycling for the 36m Christmas trees that are expected to be sold in the US this year.

There are many uses for a dead Christmas tree. In New York city, the department of sanitation grinds them up into wood chips, which are offered free to urban gardeners to use as mulch for fertiliser and ground cover. The programme, in its second year, is extremely convenient for the would-be conservationist.

"Leave your tree out for collection at curbside as you normally would," says Mr Brendan Sexton, Commissioner, "but remember to remove all ornaments, lights, stands and other decorations."

Even if the wood chips ultimately end up in the landfill, they take up significantly less space and decompose more quickly than a full-size tree.

The commercial sector is also starting to promote tree recycling. IKEA, the Swedish retail chain whose US stores sell many thousands of Christmas trees each year, offers customers the *option* of renting the trees.

On the Texas Gulf Coast, a number of local communities are trying to fight beach erosion by using piled-up Christmas trees to form the foundation for sand dunes. In the New Orleans area, the trees have been used as underwater dykes to help stem the erosion of local marshes.

Even living trees can serve a purpose. In one Californian town, the authorities will accept nursery-grown potted trees and replant them in treeless centres. Civic-minded Citizens can even claim their trees as charitable donations for tax deductions, provided the trees are tagged with the donor's name and address and the tree's cost.

Karen Zagor

Leslie Crawford explains moves to safeguard Chile's forests against excessive exploitation

Too much of a chip feast

The towering hills beside the southern Chilean port of Puerto Montt are, on closer inspection, made of wood chips. In a few days they will disappear into the vaults of a Japanese freighter, only to be replaced by more hills for export.

Puerto Montt's artificial landscape is the product of an industry that did not exist five years ago. The business is dominated by Japanese corporations such as Mitsubishi, C-Itoh and Daio Papers, which could not resist the temptation to exploit Chile's vast temperate forests and open door policy towards foreign investors.

The voraciousness with which the Japanese have plundered Chile's virgin forests – exporting almost 2m tonnes of wood chips last year – has provoked a national outcry. The country's growing environmentalist lobby is concerned that protected species, such as the Araucaria pine which can live up to 2,000 years, are being shredded in seconds.

The sawmills have also drawn the attention of Chile's Forestry Corporation, Conaf. "The problem is that the Japanese buy logs from small landowners, who are cashing in on this lucrative new business with scant regard to its environmental impact," says Juan Moya, a forestry engineer at Conaf.

In theory, the felling of native woods requires the prior approval of Conaf, but Moya says his corporation does not have the manpower to police Chile's 7m hectares of virgin forest. He estimates that more than one-third of the wood that reaches the sawmills is felled illegally.

The Japanese companies will not give interviews to foreign journalists or answer written questions on the ecological impact of their activities. But they are gradually relenting under a barrage of adverse publicity.

Conaf recently extracted a "policing tax" of $1 per tonne from the sawmills that will help the corporation step up its war against clandestine fellings. Part of this money may be invested in a satellite surveillance system.

The sawmills have also agreed to hand over information on their suppliers.

Conaf is currently drafting new regulations for the "rational and controlled" use of virgin forests. "With responsible management, there is no reason why native forests should not be exploited commercially," says Moya. He believes that they could even be given a new lease of life with the selective felling of diseased or overmature trees and modern conservation techniques.

However, the forthcoming regulations have Chile's small landowners up in arms. Guillermo Guell, president of Corma, the private sector's wood corporation, regards any new restriction on the forestry business as an unjustified attack on private property. "We live off the forest, so we don't need anybody to tell us how to look after it – least of all trendy ecologists sitting in Santiago apartments," he says.

Guell blames the controversy over the wood chip business on environmental groups, which he refers to as "European and American neo-colonialists; how dare they come to tell us what to do with our forests."

Yet with the exception of the Japanese, multinationals investing in Chile's booming forestry and cellulose industry have chosen not to touch native forests. They have either bought, or introduced, "man-made" plantations of radiata pine and eucalyptus.

"Virgin forests are a no-go area. It is just too hot a political issue," says Alberto Rubinstein, the head of Shell's forestry division.

Jose Luis Lopez, the representative of Carter Holt Harvey's interests in Chile, says: "We only use man-made forests. They are more cost-efficient and we believe in the conservation of native species."

Stora, Europe's biggest paper and pulp manufacturer, is currently investing in radiata pine plantations in southern Chile which will eventually supply a planned 450,000 tonnes per year cellulose plant. The total investment, in a joint venture with Chile's Celulosa Arauco, could reach $1.2bn.

"Stora will not go near native forests," says Gustavo Romero, the company's general manager in Chile. "It is too dangerous to tamper with such a fundamental part of our ecosystem."

Carter Holt Harvey, Shell and Stora have invested over $1.4bn in Chilean forestry over the past five years – buying plantations, building sawmills and cellulose plants. Chile's unbeatable comparative advantages for growing radiata pine, and the government's generous reforestation incentives, have created this foreign investment surge. Exports of timber, cellulose, furniture and wood chips now total $800m a year, and are are set to double by the turn of the century.

Simpson Paper of the US is constructing a $587m pulp mill in association with Chile's largest paper manufacturer, the Compañia Manufacturera de Papeles y Cartones. Fletcher Challenge of New Zealand and Pathfinder Investments of the US are also in Chile.

The most recent arrival is Switzerland's Attisholz Holdings, which wants to build a $90m kraft paper mill in the south.

All have pledged to incorporate the latest environment-friendly technology in the treatment of pulp mill effluents.

The magnitude of their investments is another factor that singles them out from the Japanese. "Japan may be Chile's second biggest trading partner," says Lopez, "but they have few investments in Chile." It only takes between $5m and $13m to set up a sawmill, and the export of wood chips doubles the return on the original investment in under a year.

Lopez is worried that the unchecked growth of wood chip exports could eventually tarnish the image of the forestry industry as a whole. But Rubinstein sees some positive developments in the behaviour of Japanese corporations. "Mitsubishi is beginning to buy eucalyptus plantations," he says.

Daio Papers recently announced a 10-year investment programme to reforest 250,000 hectares with eucalyptus and build a pulp mill and wood chip plant. Rubinstein is heartened by their decision to invest in renewable natural resources. "It shows they are finally responding to environmental concerns," he says.

Miners dig deep to give birds a safer passage

Kenneth Gooding on Echo Bay's $10m bill to preserve wildlife

THE cost so far for attempts to prevent birds being killed at the McCoy/Cove gold mine near Battle Mountain in Nevada is about US$10m. Echo Bay Mines, the owner, has also paid a $250,000 fine and agreed to contribute a further $250,000 to wildlife habitat and propagation projects.

One thousand and one birds have died by drinking from the mine's waste water pond since McCoy/Cove started up in June last year. Echo Bay can be that precise because the US Migratory Bird Treaty Act makes it illegal for any company or mine to kill migrating water fowl and every death has to be reported.

Even though Echo Bay made great efforts to prevent birds being killed it still had to pay one of the stiffest fines ever levied against a mining company in Nevada, a state credited with usually taking a benevolent approach to mining and miners.

Echo Bay tried to keep the birds away by stringing silver flags across the pond, to no avail. It attempted to frighten the birds away by using remote-controlled boats. Cannons were fired at regular intervals, but still the birds arrived. Mine staff even resorted to chasing the birds across the pond on air-propelled swamp buggies.

The company was advised that loud music would keep birds off the pond. "But a couple of ducks started nesting on the rafts we put on the pond to carry the loudspeakers," says John Zigarlick, Echo Bay's president.

Echo Bay is by no means the only mining company to suffer from this problem, but it seems to have invested more time and money than most to find a solution.

The mining method which caused the difficulties is called heap leaching. This is a process in which ore is placed in a heap on an impermeable pad. Then a weak cyanide solution is sprinkled over the heap and collected at the bottom after percolating through the ore and dissolving out most of the gold. This very low-cost process has enabled gold to be won from rock containing very little of the precious metal – typically well under one ounce of gold in every tonne of ore – and contributed to the tremendous upsurge of gold mining activity in Australia as well as North America in the 1980s.

But tailings (waste), discharged into ponds after the gold has been separated from the solution, still contains cyanide which takes some time to lose its toxicity in the sunlight. At the same time, many of the mines using heap leaching to win their gold are, like McCoy/Cove, in desert areas. As Echo Bay learned to its cost, when birds fly in from the desert, there is little that can be done to stop them having a drink.

The McCoy/Cove tailings pond covers an area of 145 hectars (equivalent to the combined size of 200 soccer pitches) so putting a narrow-mesh net over it would have been difficult and "the first snowfall of the Nevada winter would have broken the net," suggests Mr Bob Calman, Echo Bay's chairman.

> **'The first snowfall of the Nevada winter would have broken the net'**

His company ultimately solved the difficulty by installing a treatment plant which reduces the amount of cyanide in the water dumped in the tailings pond. "There is now less cyanide in the McCoy/Cove tailings than in British drinking water," Mr Calman boasts.

The treatment plant was built at the cost of nearly $3m under licence from Inco, the world's largest nickel producer, which launched the so-called SO2 concept in 1982. The system works by oxidizing the residual cyanide in solution into cyanate, a chemical much less toxic.

More than 30 Inco SO2 facilities have been operating in Canada for some years and there are four in the US, so the technology is tried and tested. "The capital cost was trivial and it was a mistake not to put in in at the outset," admits Mr Zigarlick.

He estimates that Echo Bay spent about $6m on the other, unsuccessful "quick fix" solutions. Even to a company the size of Echo Bay, which is the fourth-largest North American gold producer in terms of output – which will be well over 800,000 ounces this year – this is not so trivial.

Also, McCoy/Cove's mill had to be shut down for three weeks while the Inco plant was installed. This caused the mine's gold output in the third quarter of this year to fall by 24,165 troy ounces to 58,799 ounces. Consequently, the mine's cash production costs jumped by nearly $100 an ounce to $291 an ounce in the quarter.

The Inco treatment also adds about $10 an ounce to the cost of producing gold at the mine, but Mr Calman says this will be more than compensated for by the fact that spending on "temporary fixes" to keep birds off the pond is no longer needed. Most important, after it became clear that birds were dying in relatively large numbers, the company switched to a weaker-than-usual cyanide solution. Now the treatment plant is in operation McCoy/Cove has returned to a full-strength solution which should boost the recovery of gold from the ore from 82 per cent to 90 per cent.

There are many miners who would maintain that $10m to save the lives of a few birds is a waste of resources and an example of environmentalist overkill. But Mr Calman does not complain. "The law is the law and is there to be obeyed," he says. Then, after some consideration, he adds: "Mind you, I thought about what it had cost us when I was watching a television programme which mentioned that 263m turkeys will be killed so that the US could celebrate Thanksgiving Day in the traditional way."

Are there any lessons for non-mining companies to learn from Echo Bay's misfortunes? Mr Calman believes there is one important thing to be learned: consultants don't have all the right answers. He says: "Our consultants told us that we would have no problems with migrating birds because McCoy/Cove was under no flight paths. The consultants were wrong and we were wrong not to check further ourselves."

CONTRACTS & TENDERS

INVITATION FOR BIDS (IFB)
Date of Issuance : 24.12.1990
Loan No : 2602 TU
Order No : ISB/RH-9

1. The TURKISH ELECTRICITY AUTHORITY (TEK) has received a loan from the Power System Operation Assistance Project Fund of the World Bank (Loan No: 2602- TW in various currencies towards the cost of Thermal Power Plants Rehabilitation Project and it is intended that part of the proceeds of this loan will be applied to eligible payments under the Contract(s) for which this Invitation for Bids is issued.

2. The TURKISH ELECTRICITY AUTHORITY (TEK) now invites sealed Bids from eligible Bidders for furnishing of coal Sampling System for Seyitomer Power Plant.

3. Interested eligible bidders may obtain further information from and inspect the Bidding Documents at the Office of:

TURKISH ELECTRICITY AUTHORITY General Management TICARI ISLER DAIRESI BASKANLIGI, ITHALAT MUDURLUGU

Inonu Bulvari No: 27 Kat:1
Bahcelievler - Son Durak
Ankara - TURKEY

Phone: (90) (4) 2126915/3254
Telex: 42245 tek tr
Fax: 90-4-2138870

4. A complete set of Bidding Documents may be purchased by any interested eligible Bidder on the submission of a written application to the

TURKISH ELECTRICITY AUTHORITY
General Management
Ticari Isler Dairesi
Baskanligi
Inönü Bulvari No 27 Kat 1
Bahcelievler - Son Durak
Ankara - TURKEY
and upon payment of a non-refundable fee of 100 US Dollars or 280,000 TL at the following address:

TURKISH ELECTRICITY AUTHORITY
General Management
Muhasebe Dairesi Baskanligi
Inönü Bulvari No: 27 Kat 4
Bahcelievler - Son Durak
Ankara - TURKEY

Those Bids submitted by the Bidders who did not purchase the Bidding Document shall be rejected

5. All Bids must be accompanied by a Bid security of not less than 3% (three percent) of the bid price and must be delivered to the following address:

TURKISH ELECTRICTY AUTHORITY
General Management
Ticari Isler Daire
Baskanligi
Inönü Bulvari No: 27 Kat 1
Bahçelievler - Son Durak
Ankara - TURKEY

on or before 12.00 hours on 14.2.1991 and the is will be opened at 14.00 hours on the same date at the below mentioned address.

Bids will be accepted for the total quantity but no bid will be for any lesser number of units than specified.

6. Bids will be opened in the presence of Bidders' representatives who choose to attend at the following address:

TURKISH ELECTRICITY AUTHORITY
General Management
Ihale ve Satin Alma
Komisyonu Baskanligi
Inonu Bulvari No: 27
A Block Zemin Kat
Bahcelievler - Son Durak
Ankara - TURKEY

33894

LEGAL NOTICES

No. 009820 of 1990
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
IB FINANCE (UK) PLC
- and -
IN THE MATTER OF THE
COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated 10th December 1990 confirming the reduction of the capital of the above named Company from US $ 5,000,000 to nil and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above mentioned Act were registered by the Registrar of Companies on the 12th December 1990. On the same date the capital of the Company was increased by £3,000,000 divided into 3,000,000 Ordinary Shares of £1 each of which 2,800,000 Ordinary Shares of £1 each were immediately issued.

Dated the 13th day of December 1990.

Clifford Chance
Royex House
Aldermanbury Square
London EC2V 7LD

Ref: KO/TWC

Solicitors of the Company

INSOLVENCY ACT 1986
NOTICE OF MEETING IN
ADMINISTRATION PROCEEDINGS
NYCKELN FINANCE COMPANY LIMITED -
JOINT ADMINISTRATORS APPOINTED

Notice is hereby given that a meeting of creditors in the above matter is to be held at the Swedish Telecommunications Video Konferencing Centre, Kungsgatan 36, Stockholm at 11.00 am (local time) on 8 January 1991 with a subsidiary meeting being held simultaneously in the Video Conferencing Suite of the Inter Continental Hotel, Hyde Park Corner, London W1 at 10.00 am (local time) to consider my proposals under S23(1) of the Insolvency Act 1986 to consider establishing a committee of creditors. In order for creditors to be able to vote, proxies to be used at the meeting must be lodged, together with details of their claims at Nyckeln House, 42 Wimpole Street, London W1M 7AF not later than 12 noon on 4 January 1991.

Date 30 November 1990

M C WITHALL
JOINT ADMINISTRATOR

LIBRA BANK PLC
(In Members' Voluntary Liquidation)
(Incorporated in England)

Notice is hereby given that on 30th November 1990 we, the undersigned Anthony James McMahon and Christopher Timothy Esmond Hayward were appointed Joint Liquidators of Libra Bank Plc.

Notice is also hereby given pursuant to Rule 4.182A of the Insolvency Rules 1986 that the Liquidators intend to make a distribution to creditors. Creditors are required to submit full details of their claims and their names and addresses to the Liquidators at KPMG Peat Marwick McLintock, 20 Farringdon Street, London EC4A 4PP, England before the eleventh day of February 1991 which is the last day for proving claims.

A creditor who has not submitted his claim by the date mentioned will not be able to disturb the distribution but if he proves his claim after the date mentioned he will be entitled to be paid out of any money available to the Liquidators to pay any further distribution to creditors.

Note: The company is able to pay all known creditors in full. Anyone who considers himself to be a creditor should write to the Liquidators immediately.

Dated: 7th December 1990

A.J. McMahon
C.T.E. Hayward

1990 No. 12789P

THE HIGH COURT
IN THE MATTER OF:
IRISH LIFE ASSURANCE (Newco) LIMITED
- AND IN THE MATTER OF:
THE ASSURANCE COMPANIES ACT 1909
AND THE INSURANCE ACTS 1989 - 1990

NOTICE

TAKE NOTICE that on Tuesday 11th December, 1990 the Board of Irish Life Assurance plc., resolved that the 31st day of December, 1990 should be the Effective Date for the transfer of business from Irish Life Assurance plc to Irish Life Assurance (Newco) Limited under the Scheme approved by the High Court of Ireland on the 5th November, 1990.

Dated this 18th day of December, 1990
WILLIAM FITZ
Solicitors for Irish Life Assurance plc.,
Fitzwilton House
Wilton Place
Dublin 2

COMPANY NOTICES

NOTICE TO HOLDERS OF
EUROPEAN DEPOSITARY
RECEIPTS
(EDR'S) IN
PIONEER ELECTRONIC
CORPORATION

We are pleased to announce that copies of the 40th Semi-Annual Business Report, for the six month period ended 30th September, 1990 of Pioneer Electronic Corporation are now available to EDR Holders, upon application to The Bank of Tokyo, Ltd., 20/24 Moorgate, London EC2R 6DH, and the Agent, The Bank of Tokyo (Luxembourg) S.A., Residence St. Esprit, 1-3, rue du St. Esprit, 1475 Luxembourg.

Bank of Tokyo International Limited
(London Depositary)

18th December 1990

PERSONAL

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RECRUITMENT

JOBS: Clues sought to mystery of Englishmen who found themselves in unexpected careers

Case of the backsliding Barbary pirates

DO any readers know of a place in England, about 250 miles from London and probably near the sea, which was once called Milbrue or something very similar? If so, they could help to shed light on one of the most intriguing career puzzles the Jobs column has ever come across.

I learned of the mystery, which concerns how two long dead Englishmen came to take up work they could hardly have foreseen, from historian Professor Bartolomé Bennassar of Toulouse University. Around the seventeenth century, he says, people from Christian nations going by ship through the Mediterranean took the risk of being captured by Barbary pirates. When that occurred, they had two options.

One was to eke out their lives as slaves, the men usually chained to the oars of galleys. The other was to become Muslims in which case, given talent and hard work, they could reach high positions in the remarkably open Middle East society of the time. Several such converts became viziers, generals, admirals and the like.

The trouble was that, if they happened to be re-captured by Christian forces, they were doomed as heretic renegades unless they could persuade the Inquisition that their conversion had been forcible and they had stayed true to their first faith.

Professor Bennassar and his wife have studied records which the Inquisition kept of the interrogation of 1,550 suspect renegades. Among them were two Englishmen who had turned Muslim and thrown in their lot with the Barbary pirates that captured them, only to fall into Christian hands when a later raid misfired. They were John Martin and James Larman (or Lormond or Sarman), both sailors originally from "Milbrue".

Since the records state that it was 200-300 miles from London, the professor conjectured it might be present-day Middlesborough. But the Tees-side town was built virtually from scratch in the 1830s on the site of a hamlet of 40 people, and the local Dorman Museum says there's no evidence that the place was ever called Milbrue.

Can any of you suggest more likely candidates, please? If so, I'll report on them in the new year as well as forwarding them to Toulouse.

Carousal costs

HEREUNDER – for the second Christmas in succession – appears the Jobs column's guide to the cost of seasonal carousing in various international centres. The figures have been generously provided by the Reward pay-and-job-conditions consultancy, of Stone in Staffordshire.

As some readers at least may need no reminding, the price of a thick head is not limited to taking same on. Due reckoning must also be made of the expense of trying to shrug it off. Hence the layout of the table, in which overseas currencies have been turned into sterling at the exchange rates prevailing in late September.

THE PRICE OF OVER-INDULGENCE AROUND THE WORLD

City	1 litre Scotch £	1 litre Vodka £	*Average on-cost* £	35 Alka Seltzer £	100 Aspirin £	200g Coffee £	*Average off-cost* £	Average full cost £
Helsinki	35.03	36.08	*35.56*	3.53	3.59	4.90	*4.01*	39.57
Stockholm	29.42	23.48	*26.45*	2.13	3.78	4.72	*3.54*	29.99
Copenhagen	25.13	18.89	*22.01*	2.28	6.54	3.72	*4.18*	26.19
Singapore	15.42	19.09	*17.25*	3.40	4.24	2.73	*3.46*	20.72
Cairo	21.23	14.33	*17.78*	—	0.23	4.07	*2.15*	19.93
Tokyo	14.56	10.92	*12.74*	—	8.44	3.23	*5.84*	18.58
Sydney	13.06	11.49	*12.28*	3.03	3.36	2.89	*3.13*	15.41
London	12.99	11.79	*12.39*	3.01	2.28	2.67	*2.65*	15.04
Vienna	13.67	6.85	*10.26*	5.58	4.58	4.14	*4.76*	15.02
Frankfurt	10.39	5.73	*8.06*	5.83	6.97	5.15	*5.98*	14.04
Brussels	12.50	9.98	*11.24*	2.87	2.85	3.36	*3.03*	14.27
Moscow	11.48	8.83	*10.16*	2.33	2.58	5.00	*3.30*	13.46
Amsterdam	12.37	8.24	*10.31*	3.97	1.28	2.97	*2.77*	13.08
Paris	10.48	8.62	*9.55*	3.31	3.06	3.24	*3.21*	12.76
Lisbon	8.85	7.17	*8.01*	3.05	4.91	4.01	*4.19*	12.20
Hong Kong	10.28	8.60	*9.44*	2.69	3.14	1.83	*2.59*	12.03
Madrid	8.84	5.39	*7.12*	3.41	5.32	2.86	*3.86*	10.98
Athens	8.43	5.88	*7.16*	—	1.71	2.86	*2.29*	9.45

The first three columns of figures give the approximate "on-cost": the local prices of a litre each of whisky and of vodka, followed by the average across both. The next four columns do likewise for the "off-cost": three dozen Alka Seltzers (Reward apparently could not find any to buy in Cairo, Tokyo or Athens), 100 aspirin tablets, and 200 grams of coffee, again averaged out. The on and off components are then added to give the total cost.

As may be seen, Helsinki is the most punitive city, almost £10 a thrash dearer than second-placed Stockholm and over four times more expensive than Athens, the boozer's best buy. The best balanced is Frankfurt where the cost of recovering is 70 per cent of the price of needing to.

Business getter

THENCE to headhunter Vivian Lawrence of the Arlington Consultancy who seeks a manager with success in market-expansion for the London-based branch of an eight-year-old American computer services company with a turnover of £50m worldwide. Since he may not name his client, he promises to honour applicants' requests not to be identified to the employer at this stage of the proceedings.

The prime task is to increase finance-sector demand for the company's software expertise, with particular emphasis on building societies and insurance concerns.

Candidates must have extensive experience of the information technology business, preferably in consultancy work, coupled with demonstrable ability to lead a team. No less important are polished sales skills, honed by negotiating at top corporate levels.

The appointment is at divisional board level, and salary plus results-related bonus is expected to be about £75,000. "Big company" perks, which I presume include a company car.

Mr Lawrence would rather have written inquiries. His address is Canterbury House, 2-6 Sydenham Road, Croydon CR0 9XE; fax 081-681 2732. But potential candidates really in haste can telephone him on 081-681 8185.

That said, I wish you all the blessings of the season and hope we'll meet again on January 9.

Michael Dixon

BANKING FINANCE & GENERAL

Spanish family businesses

Chill winds fan the flames

Competition from other European Community companies and stricter regulation have opened up divisions among owners of private firms. Peter Bruce reports on fratricidal tensions which have led to a share-out of the spoils

The biggest winners in Guinness's $1bn takeover last month of Spain's biggest brewer, Cruzcampo, were the two investment banks involved. Chase Manhattan, for Guinness, replaced some of the shine it has lost recently with its decision to pull out of retail banking in Spain. And Goldman Sachs, for Cruzcampo, finally got it right in a big way in Spain following its part in the messy failure last year of the attempt to merge Banco Espanol de Credito (Banesto) with Banco Central.

But the Cruzcampo sale is more than just another sharp deal. It is also another nail in the coffin of big family businesses in Spain which, until the mid-1980s, looked like defying the rot that had earlier beset their west German counterparts. The surviving Osborne, Delgado and Lafite families in Cruzcampo, seduced by an impossibly attractive offer, are packing up and leaving.

Family businesses are the backbone of Spanish industry, employing more than 85 per cent of the country's workforce. While their products are often technically excellent, the companies themselves are famously badly run – marketing is non-existent and finances, where they exist separately from the family kitty, seldom reflect the actual state of the business.

Once protected from foreign competition – along with everything else in Spain – during Franco's dictatorship, families are feeling the chill winds now of real competition, financial transparency, and fratricidal tensions as the monies on offer strain even the strongest emotional bonds.

The departure of families from productive business has become an exodus since the recent wave of foreign acquisitions began in 1986, the year Madrid joined the European Community. The Cruzcampo purchase proves that not even the slowdown in the economy is putting off foreign investors.

What counts in Spain is not the state of the economy nor the prospect of immediate profit. Foreign buyers come here for market share. The most recent example of that was the purchase in October of 45 per cent of Spain's largest producer of steel sections, Jose Maria Aristrain, by British Steel for $220m, after it became clear that the late Mr Aristrain's children did not have the stomach for managing the business.

The absence of a marketing tradition in Spain means that foreign companies like Guinness have assumed (not always correctly) that they can do better with the assets they buy and have been willing to pay for sales potential.

"The temptation to sell in the last three or four years has never been greater," says Anthony Pralle of Boston Consulting in Madrid. "Demand has pumped up prices to ridiculous levels."

If purchase price has been the main factor, tax is becoming its constant companion. Some audits by foreign buyers recently have turned up more than 20 years of outright tax evasion.

And the families are only now coming to terms with the real horror of belonging to the EC – in the financial year ending next June, every Spanish company, for the first time ever, is going to have to register properly audited and public accounts.

And the auditors are legally obliged now to report tax arrears. It promises to be a painful process. "In most cases they have never been audited at all," says a long-suffering senior accountant in Madrid. "You always find unpaid taxes."

As the Spanish revenue service becomes more efficient the choice between waiting for a knock on the door or quietly selling to a rich foreigner who is prepared to assume responsibilities – even at a price – is an easy one. Efforts by the stock markets to attract new issues from family business have also largely failed because of the financial transparency required.

But many families tear themselves apart – often in public – as well, which makes them easier targets for buyers. Rapid modernisation and the collapse of the traditional catholic values that apparently held Francoist Spain together have damaged family ties across the land.

Once disciplined and caring Spanish clans have become flammable and brittle in the pursuit of money. Where young west Germans turned their backs on their fathers' businesses, Spanish family members have begun to fight for pieces of the paternal action.

Not long ago Juan Gomez Cuetara, founder of the country's biggest biscuit producer, which bears his name, felt himself driven to go to court to force his squabbling children to return the shares they had inherited. Gomez Cuetara is 90 years old.

Few people will recognise the symptoms of decay in a Spanish family business quicker than Charles Burdett, an Anglo-Spaniard and chairman of the flourishing Hispano Suiza industrial holding group in Madrid. Burdett has bought four family businesses in four years.

Last February, he bought Eurobag, Spain's biggest supplier of chic carrier bags to upmarket boutiques and shops. The founder's three sons had joined him in management, but he also had four daughters, each of them married. They and their husbands, excluded from the business, began to pester him about their financial positions and to suggest that family harmony might best be achieved by early delivery of their inheritance. Burdett had seen it all before.

"The father normally goes to the family lawyer and says 'What do I do?'" The lawyer says sell, which is usually the beginning of an elaborate ritual in which the seller does his best not to concede that he wants to sell.

"The presumption is that if the business is for sale you're going to knock hell out of the price," says Burdett. "The lawyer comes to see you, and you talk about collaboration or something. Maybe you go to the factory on some pretext or other. Anything but as a buyer. The owner does everything but *der le cara* (show his face)."

Eventually, he says, "there might be a meeting in a bar" with the owner, "and a hastily constructed balance sheet that has nothing to do with the balance sheet you finally get when you buy the company. You negotiate, sadly, on the basis that he is going to be asking for double what the company is worth. Ten years ago he would have asked for 20 times. People have become more realistic."

"They are great salesmen and they can be very persuasive," says Burdett of the Spanish. Guinness, which bought Cruzcampo on the confident promise from its owners that per capita beer consumption in Spain will double to German levels, will appreciate how the smooth talk works.

The Cruzcampo price was exceptional, but family disunity, greed, incompetence and fear of the taxman will probably continue to stimulate mergers and acquisitions activity in Spain for some time to come. There is no end of targets and no end of investment bankers and individual operators in the field. If anything, the problem is finding willing buyers as recession grips Britain and the US.

Camp was a good example. By 1989 it was Spain's largest independent manufacturer of detergents, with up to 25 per cent of the Spanish market despite heavy multinational competition. It was owned by three Catalan brothers and the children of a fourth who had died in an accident.

Camp was in financial trouble in the mid-1980s and the brothers hired a chemical engineer, Manuel Luque, to run the company. Luque turned out to be more than a chemist, though, and launched Spain's most successful-ever TV campaign, featuring himself, to drag the company from loss to profit in two years. But Luque's fame irritated two of the brothers, who tried to remove him. The third, senior, Camp brother finally joined them. The children of the dead brother backed Luque and the fight for power in the company attracted multinational buyers like moths to a candle.

Procter & Gamble actually paid a deposit for Camp but was dropped by the brothers at the very last moment after a $300m offer from Henkiser of west Germany. For a company that could not sell 75 per cent of itself to a Japanese buyer in 1986 for $17m, this says a lot about the pulling power of public family in-fighting, at least in Spain.

In Germany, the internecine family squabbles at Dornier, the family aerospace group, and Knorr Bremse, the locomotive braking systems group, led to both being snapped up cheaply by rivals.

At Henkiser prices, it is little wonder families are rushing to sell out. Although the top rate of capital gains tax in Spain is still 56 per cent (and payable as part of income tax), family shareholders have usually been able to get off lightly.

Until the end of last year, sellers could issue rights in favour of the buyer and never pay capital gains until the original shares were sold. The smart seller would frame the originals and hang them on their walls. The Bevilla sausage empire and the Antibioticos bulk chemicals group were both sold this way, for $88m and $500m, respectively, to Unilever and Montedison, to the great good fortune of their owners, but the loophole has now been plugged.

Nowadays, analysts say, sellers can stave off capital gains tax by quickly making long-term investments in the property market, which most rich Spaniards do by instinct anyway, or by holding their assets offshore. Madrid's tax treaty with the Netherlands, for instance, means that shares owned in the Dutch Antilles would attract less than 5 per cent capital gains tax if sold.

Not all the buyers are foreign. When tensions in the family running the big Elosua oils and foods group became too much for the youngest of them to bear late last year, he persuaded a state-owned competitor, Mercasa, and the family bank, Banco Pastor, to buy up Elosua shares until he and they controlled a majority. Now back running the company his two uncles had tried to take away, young Marcelino Elosua, grandson of the founder, has removed the two from management. But Elosua no longer belongs to the Elosuas.

Family businesses can also survive traumas, however. At Campofrio young Pedro Ballve, 36, has retaken control of the processed meats group his father started in 1944 and then, strapped for cash, sold to Beatrice Foods of the US in 1978. Ballve has floated 15 per cent of his company on the stock markets and has become one of Spain's most aggressive exporters.

The Botin family that runs Spain's most aggressive and expansionist bank, Banco Santander, has meanwhile managed to hold together and is taking its fourth successive generation into management. Treasured (or desired) clients sometimes get to play golf with Seve Ballesteros, who is married to the boss's daughter.

The March family recently took control of the prestigious and revived Banco Urquijo to add it to their cash-rich and energetic empire of financial and industrial holdings.

Enric Bernat, the ambitious founder of Chupa Chups, the world's largest producer of lollipops, has taken his sons into management and is diversifying into financial services.

Bernat represents a particularly Catalan weakness for family-run businesses, especially in the foods and drinks sectors. Vilafranca de Penedes, a small town near Barcelona, boasts more than 200 family-owned producers of Cava, Spain's champagne.

There is tenacity, too. The three Fierro brothers running a big industrial and banking group, Fosforera, founded by their father in 1882, ran out of money in the mid-1980s and had to sell off their main holdings (including Banco de Finanzas, which was bought by Chase Manhattan as a retail base in Spain but which is up for sale again).

Two of the brothers pooled their resources and the remains of the empire are now being run by the elder brother's son, Alfonso. He has since bought a small bank, the Sindibank in Barcelona and has been quietly adding little companies to the Fosforera portfolio again. It is an important come-back.

But the Botins, Fierros and Bernats are exceptions at the top of Spain's business ladder. In Banesto, most of the conniving old banking clans have been tossed out by its new chairman, Mario Conde; the only notable survivors are the Herrera family that manages and owns part of Banesto's refining affiliate, Petromed.

The loss of secrecy as new accounting laws come into force will change family business forever in Spain and remove the one thread that runs through all the country's family businesses, and, indeed, Spanish culture in general – the exclusion of outsiders. It means, probably, that Spain's pool of acquirable targets will grow even if prices do not.

Survival, if that is what the family business ought to be doing, probably depends now on being too small to be noticed.

ARTS

Magdalena Eberle as Stella and Ingrid Andree, Madame Sommer

Stella

SCHAUSPIELHAUS, COLOGNE

For every 40 productions of *Faust* in the German theatre, there is perhaps one of *Stella*, Goethe's unfashionable story of a *ménage à trois*. Now Gunter Kramer has found a new way into this "problem" play. Kramer takes Goethe's chauvinist dream as just that – an impossible fantasy – and recasts domestic intrigue as fairy tale. Enchanted garden, mythic characters, baffling emotion spun out into daydreams. Below the surface, psycho-drama finally smashes theatrical conceit: Kramer's comment on Goethe's dream. It's a challenging revision, bringing a classic unpredictably to life.

As we have come to expect from Kramer, there's much to please the eye. The set is a playground – seesaw, giant swing hanging from the ceiling down to the pit. The stage is covered with leaves, there is a sprinkling of garden chairs and a sunshade. Lighting turns the leaves day-green or rusty; lanterns glow orange to suggest late-summer evening.

Kramer's theme is that fantasy is lonely, Paradise means different things to different people. It's the lost Eden of Stella and Madame Sommer, both in mourning for the man who loved and left them; the imagined heaven of Fernando, who dreams of getting them both back; wonderland for the child Lucie. At the core of Kramer's interpretation are two extra children: the servants Annchen and Karl are transformed into mad kids who speak the truth through demented retellings of fairy tales.

Each begins with a fabled role. Madame Sommer (Ingrid Andree), fragile in black lace, bird-like face twitching beneath veil, sways in mute misery on the swing, the spectre in the garden. Stella (Magdalena Eberle), in white tennis dress and plimsolls, waist-length tresses, is the princess pining. Lucie (Karina Fallenstein) is story-book innocence; Fernando (Susanne Barth) weak-willed evasion. All act, dance, mime more than they speak; balance on seesaws, carry one another piggy-back, play hide-and-seek and ring-a-ring o'roses. Cartoon animation comes to mind: bright, slick, unreal.

Character emerges out of playfulness. Stella's chattering elegy is pierced by pain when she learns that Fernando is married; sick hysteria gives way to worn out incomprehension. In a startling performance, Ingrid Andree's Madame Sommer changes from victim to organiser; even her face seems to gain strength from resignation. I was less happy about the pantomime casting of a female Fernando – easy to make the macho image crumble, harder to suggest sexual tension in the first place.

High comedy is the counterpoint to *sturm und drang* excess. When Stella is revived with a moistened cloth, Annchen is pelted with wet rags, slapstick punishment for telling the truth. As the fat, crazy, well-meaning fully-grown child, Maria Happel nearly steals the show. Kramer gives her the key lines: the tale of a count who went to war, was held to ransom and saved by a beautiful girl with whom his wife then agrees to share him.

This production is a masterpiece of contrasts. A screen projected on the stage wall shows a window on the outside world – changing traffic lights, a street sign, cars zooming past, people coming to peer into the theatre. Here is reality and dream, a brilliant trompe d'oeil effect.

Jackie Wullschlager

Robin Hood

THEATRE ROYAL, STRATFORD EAST

"Behind you!" and "Oh no it isn't!" people were calling, only moments after curtain up. It hardly mattered that these cries were irrelevant, and that there *was* nothing behind poor bewitched Cedric the Tree, who was delivering the Prologue. We were just a dream audience at Stratford East, teasing the show along, ornamenting the song with echo effects, pelting apples at the baddies with expert marksmanship. The sense of community that makes this theatre so specially at its best in pantomime season.

This *Robin Hood*, written and composed by Patrick Prior and Dave Brown, is very nearly a dream pantomime. It laughs at itself and it hardly ever flags. We knew it would have Robin and Marian and the Sheriff and Sir Guy – but we hadn't realised that Robin would be the worst archer in England, saved by his mother and his girlfriend.

We hadn't expected Morgana le Fay, and we were glad to encounter Ethelwolf the Nearly Ready and Egbert the Unwashed. We had guessed that Widow Hood would be played *en travesti* but not that Little John, Friar Tuck and co. would be too. We had heard that Robin and the Saxons would be the victims of over-taxation, but we hadn't known that the baddies would carry a sack marked "Ill-gotten gains".

Nothing had prepared us for the Sheriff's happily horrid henchman Lickspittle – the excellent Philip Pellew. This gleefully gruesome thug gets so excited by the idea of bashing up the Saxons that he thwacks himself with his own ball-and-chain. When finally he has Robin stretched on the rack, he is in his element; and he addresses his audience like a conjuror: "Please observe that during this act my fingers will not leave my hands. *His* fingers, however, are another matter."

"Into the Woods!" sings Robin after he has been outlawed. "Be sure to wear a woolly vest" says Marian. He has a fight with Little John that is choreographed to perfection – and then it turns out that these outlaws – "Even our in-laws are outlaws" – are song-and-dance outlaws. I suppose I should note that neither Marian nor Morgana speak or sing as well as they move and look, and that "Get a plan!" is a weak second-half opener, but my heart wouldn't be in it. This pantomime, directed by Jeff Teare, is a model of ensemble playing.

The best thing of all, though, the show never calls attention to it, is the scenery. Sue Mayes has painted several marvellous pastiches of mediaeval art – a landscape with a rabbit half-way out of one hole and a dog halfway into another, a city-scape of little Nottingham hugged by circular walls, and several more. Painted sets of this inventive wit and picturesque beauty are rare anywhere now. There are no famous names in this *Robin Hood*, but Mayes's contribution is one of several features here that will stand comparison with the best elsewhere.

Alastair Macaulay

TELEVISION

Chat, discrimination and prejudice

Watching Miriam Margolyes on *Tonight With Jonathan Ross* you could see why the Americans have taken to her in such a big way: she is outrageously outspoken. In the tiny amount of time allocated to her she scolded Ross for calling her one of the best voice-over artists in the business – "Not one of the best, *the* best" – confessed with her usual beaming smile to being a great farter, claimed that she needed to exercise every day in order to remain strong enough to carry around all that weight (she illustrated by juggling her bust like a street trader flogging melons) and promoted her forthcoming one-woman Dickens show. It was highly entertaining. But why is Channel 4 screening a chat show at 6.30, three nights a week? Did they feel this was what was really missing from the schedules? Was it considered a minority interest not served elsewhere? Musing on the famous instruction which is supposed to inspire the entire channel, "Be different", did Michael Grade and Liz Forgan suddenly chorus "I know! Thirty minutes of early evening chat!" Or what?

★

Technically the most interesting thing about the *Panorama Special* on the appalling way in which the Guildford 4 were convicted *despite* all the evidence in their defence known to the prosecution, was that it proved you can still make a perfectly reasonable, indeed very powerful, programme about a miscarriage of justice without resorting to the drama-documentary methods which are now so fashionable. I have nothing against drama-documentary; the process can be very effective. But it is good to be reminded that conventional current affairs programmes can also be highly successful.

★

"Guesting" (an interesting modern verb, only slightly less peculiar than the noun "guest-host") on the *Pete Murray Phone In* on London's LBC Radio last week, I expressed my irritation over the final episode of *House Of Cards* which, I felt, had left us in the air. Clearly Mattie was dead and the scheming Urqhart was on his way to the Palace to kiss hands, but there had been a shot of Mattie's tape recorder with its red light still blinking. It was unclear to me, I said, whether or not we were supposed to believe that the wicked Urqhart would get his come-uppance. This prompted several phone calls, the first from a listener who said she had been watching very carefully and Mattie had dropped her tape recorder at the top of the tower before being pushed off, so Urqhart would find it and get away with everything. The second caller said the tape recorder had definitely fallen with Mattie to the ground below and the only possible implication of the close-up showing it still working was that Urqhart – though he might feel secure on his way to the palace – was about to be undone, a bit of dramatic irony since we knew the situation and he did not. Clearly one of these interpretations must be wrong, but which?

★

Imagine that Britain had a retiring prime minister who was male. Do you suppose for one moment that *The Late Show* would devote a programme to analysing his manliness, with a whole lot of men, but not a single woman, pronouncing upon his masculinity? Last week *The Late Show* invited Germaine Greer, Beatrix Campbell, Marina Warner and others to discuss Margaret Thatcher's significance as a woman. You would have imagined from what they had to say that Britain in 1990 was an unassailable bastion of male supremacy; you would never have guessed that we had had a female sovereign for the last 37 years as well as a female prime minister for the past 11. Their attitude suggested that they believed Margaret Thatcher was a unique anomaly: none of them, it seemed, had ever heard of Golda Meir, or Mrs Bandaranaike, nor Barbara Castle or Bessie Braddock or Nancy Astor.

★

Despite the frequent appearance of programmes of that sort we are still regularly told that there are far too few "women's programmes". The previous week *The Late Show* discussed the fate of Radio 4's *Woman's Hour* and there was the usual whingeing. Had the token male (Simon Jenkins, who appeared to be acceptable because he, too, sounded like a feminist) pointed out that there had never been a *Man's Hour* and that there was not a single "men's programme" anywhere on television, no doubt we would have had the usual eyes-to-heaven reaction from the feminists followed by the familiar weary claim that *all* programmes have always been "men's programmes". This assertion now seems to be so widely accepted by television producers that the idea is no longer even discussed, yet it is absolute piffle. *Newsnight* does not habitually discuss testicular cancer, the problems of fatherhood, and the difficulties of finding traditional white cotton jockstraps. It is not, in other words, the male equivalent of a "woman's programme". The trouble with feminists is

Jonathan Ross: not exactly different on Channel 4

that they want to have it both ways. First they insist that the character, temperament, and emotions of women are so different that they must have special programmes, then when you suggest that these differences may explain why it is so difficult to find women who show up well on *Question Time* they become furious and insist that in character, temperament, and emotions women are no different from men.

★

Satellite television is not a complete dead loss. In addition to Sky News which proves useful several times a month – well, at least a couple of times on average – there is always MTV, the rock video network, which runs 24 hours a day. Once in a while, in the middle of the night, when you are restless and don't feel like reading a book, it provides just the sort of mindless movement which may be needed, serving, no doubt, much the same purpose as a mobile over a baby's cot. Watching under these circumstances recently I saw a video called (I think) "Take On Me" by a group named (I think) Aha. It was one of the most impressive pieces of technical virtuosity I have seen in years. A girl in a cafe is reading a comic strip in a newspaper. A hand emerges from the page, as with Excalibur in the lake, and the girl is drawn into the comic strip, whereupon the style of the video switches from realism to animation. When the cafe owner crumples up the newspaper, the effects are felt within the life of the comic strip. Why do drama departments seem so incapable of using this sort of exciting technique in their work – sheer expense? Probably.

★

Last Tuesday when I drew attention in the notes at the bottom of this page to BBC1's forthcoming 100-minute drama *Dark City* which was described as "a political thriller inspired by current events in the townships of South Africa", I was somewhat sceptical about our chances of seeing "necklacing", or bodies such as Winnie Mandela's "Football Club". Wrongful arrest and vicious beating by policemen seemed more likely, I suggested. This prompted script writer David Lan to write asking why I thought he was likely to be "less than honest" about the nature of violence in South Africa. The answer is that I had been affected by years of one-sided, one-eyed "liberal" representations of South Africa on British television. Our programme makers seemed to be just as racially prejudiced as the South African government, the only difference being that while the latter thought that blacks were evil and whites could do no wrong, our programme makers reversed the order of the colours. But David Lan was right to protest: it was wrong to project other people's shortcomings onto him, and of course his drama proved my assumptions unfounded. Though his film did indeed show vicious police activity it also included necklacing in all its horror, and black vigilante activity (aimed at enforcing a boycott of white shops) which was remarkably nasty. There were weaknesses in the work: it would have been useful to know how the black villain became Mr Big, for instance, and it was not clear to me whose voice the vigilante heard over the van's headphones. Nevertheless, this was so much more honest (albeit bleak) than anything else on the subject on British television that one cannot forebear to cheer.

★

While the sackcloth and ashes are still handy: last week I said that *A Tribute To Denis Mitchell* was screened by ITV. In fact it was shown by Channel 4. My apologies.

Christopher Dunkley

Gaslight

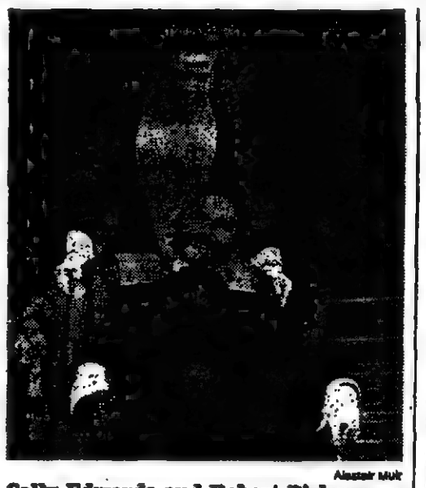
GREENWICH

Christmas, it is said, makes children of us all. The dusting down of forgotten enthusiasms is matched by a reaching out for old stories – the older the better, one sometimes feels, as one casts a jaundiced eye down the arts listings. Patrick Hamilton's +Gaslight+ scores on two fronts, by returning us to the cosy drabness of the Victorian parlour – source of so much of today's Christmas culture – and then tickling our spines with a spanking good yarn.

This "Victorian thriller," which was in fact written in 1938, has a sharp gothic feel resulting partly from the theme of madness (Mr Manningham, murderer and jewel hunter, is trying to drive his wife into an asylum), and partly from Hamilton's clever use of lights to power the suspense. They fade as the villain returns to the house, transforming narrative energy to a dramatic one.

Both threads are picked up in Martin Johns' set of bizarrely etiolated staircase and furnishings focussing in on the eponymous, authentic, Victorian gaslights. The odd idiosyncracy – such as a desk where the script specifies a cupboard – is symptomatic of a production which Annie Castledine directs with a robust disregard for the niceties as if she cannot quite decide whether to send up, or go along with, her source material.

Her Mrs Manningham (Sally Edwards) is no blushing flower, but a full-blooded hysteric who has been convinced that her passion is somehow part of her madness by a husband (Robert Pickavance) with the sneer of a starved wolf. Their opening scenes are overloud and boisterous, stressing the burlesque of the plot at the expense of its nastiness, with the result that one loses the frisson of sympathy that might exist for a more hagridden victim.



Alastair Muir

Sally Edwards and Robert Pickavance

Likewise, the sexual taunting that is embodied in the impertinent maid, Nancy, is blunted by the perverse casting of Charlotte Baker, a square-set actress whose impudence seems comically truculent rather than deviously appealing.

But, it is on the detective, Rough, that the duty falls of regaling the audience with the story to date – and therefore with most of the plot – and Bernard Gallagher discharges it well, with more than a little help from the on-stage piano tinkling and ominous falsetto of musician Peter Hayward. This is a fine touch in an ultimately average evening.

Claire Armitstead

RSC is the main beneficiary of the new Enhancement Fund

As widely anticipated the Royal Shakespeare Company has been the main beneficiary of the Arts Council's £22m Enhancement Fund, a wheeze whereby selected arts companies can be rewarded with above average increases in their 1991-92 grants, and for the next two years.

While most arts organisations learned yesterday that they would receive 7 per cent more from the Council next year the RSC is favoured with a 30 per cent increase in grant, bringing it up to £7.87m. This represents an 8 per cent basic rise, plus an extra £1.35m in Enhancement Fund money. If all goes well the RSC will receive identical tranches of cash over the succeeding two years.

But, in theory, there are strings. The RSC must prove to the Arts Council that it can attract matching money, presumably from local authorities or commercial sponsors (a hard task in the current economic climate) and that it can balance its books and eliminate its deficit of approaching £3m. It is doubtful whether, on its own, the money will enable the RSC to return to its London home in the Barbican next April.

Much depends on its success in conjuring up matching cash. It has already approached the City which, having bailed out the company a few years ago, may be reluctant to help again. The idea of the Council withholding money it has promised, or demanding it back because a client fails to deliver its side of the bargain, is faintly ridiculous and doubtless, if the companies do their best, the extra cash will go towards reducing, if not eliminating, deficits.

In contrast the National Theatre is not Enhanced, although it does get a 10 per cent uplift in grant, to £9.85m. This is in recognition of its success in balancing its books while the others of the Big Four are facing deficits. There is obviously going to be no easy solution to the problems at the Royal Opera House, which has a deficit approaching £4m. It gets just £700,000 in Enhancement money and a total grant, excluding the Birmingham Royal Ballet's £3.6m, of £13.5m.

Its great, if friendly rival, the English National Opera is boosted by £600,000 from the Fund, to a total grant of £10.43m, an overall rise of 15 per cent as against an 11 per cent uplift for the opera side of Covent Garden's activities. But the ENO is suffering a 6 per cent fall in audiences this year against its forecast, due as much to the general decline in West End theatre going as to the public's difficulties with its challenging programme of 20th century opera, while the Royal Opera House is having some success in balancing its books this year.

Only 45 of the 170 clients of the Arts Council are rewarded with Enhancement money, and most of them will have to prove their worth by balancing their books, improving artistic standards, and – most worrying of all – attracting matching sums, to continue to receive the three year bonus. Opera North, with £685,000 more and English National Ballet with £400,000, are particularly generously treated by the Fund. The LSO also gets £400,000, for an overal rise of 75 per cent to just over £1m, but the other three major London orchestras lose out.

This year the Arts Council has taken its courage in its hands, and with a higher than anticipated sum from the Government has been selective in its grants rather than treating everyone equally well, or badly. For example, the South Bank arts centre gets just 5.5 per cent more, at £12.26m, whereas the ICA, with no great reputation in recent years, is boosted by 35 per cent (which includes Enhancement cash) to £701,600. The Council is impressed by the ICA's new management team's plans, but reckons that the South Bank is well enough managed to get by on less.

Some regional theatre companies, like Bristol Old Vic and Liverpool Rep, get no rise at all in grant while the Crucible Sheffield and Northern Stage in Newcastle are threatened with a sizeable cut. Here, the Council is trying to force local authorities to boost their grants. The Regional Arts Associations, who act as paymasters for the smaller arts groups, in general will get just over 8 per cent more to distribute, although Greater London Arts is limited to a 2.5 per cent increase – partly because it has accumulated funds, and partly as window dressing in an attempt to ensure that the expenditure per head on the arts is spread more evenly across the UK.

The new Minister for the Arts, Mr Tim Renton, saw the Council's list of grants and bonuses but made no changes. Today he will announce his first decisions – over how the devolution programme involving nearly 80 large arts companies will be put into practice. After yesterday's generally good news this will prove less popular among the 30 odd companies who will hear that their appeals against delegation have been overruled.

Antony Thorncroft

ARTS GUIDE

December 14-20

THEATRE

London

The Rehearsal (Garrick). Jean Anouilh's play directed by Ian McDiarmid with costumes by Jasper Conran in a production that has received excellent reviews (071 379 6107).
Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operetta derived from David Garnett's 1955 novella. Musically interesting and well directed by Trevor Nunn. A probable, but unspectacular, hit (839 5972).
Hamlet (Lyric Hammersmith). Cheek by Jowl's idiosyncratic production, directed by Declan Donnellan (071 839 2244).
Absurd Person Singular (Whitehall). Revival of early Ayckbourn comedy, directed by the master himself, about three couples at Christmas in three kitchens over three years – Moira Redmond, Richard Kane and Lavinia Bertram on fine form in a production which confirms Ayckbourn's early bleakness (071 867 1119). Extended until January.
Man of the Moment (Globe). Nigel Planer and Gareth Hunt in another Alan Ayckbourn play, this time about media manipulation (437 3667).
Miss Saigon (Drury Lane). Spectacular and successful musical about a love story between an American GI and a Vietnamese girl during the fall of Saigon in 1975 (071 836 8108).
Into The Woods (Phoenix) Julia Mckenzie shines as the witch in Stephen Sondheim's compendium of fairy tales. The title song is more memorable than a storyline that descends into recital nation and chaos as the characters' dreams turn sour (867 1004).
Cats (New London). The formula of T.S. Eliot words, Lloyd Webber music and feline dance has made this Britain's longest running musical (405 0072).
The Rocky Horror Show (Piccadilly). Revival of the 1970s classic, directed by Robin Lefevre (071 867 1118).
Wind in the Willows rewritten by Alan Bennett for the Christmas season. A strong comic cast includes Richard Briers as Ratty and Gryff Rees-Jones as Toad. National Theatre. (071 928 2252)

New York

Falsettoland (Lucille Lortel). It will be known as the first musical about Aids hitting New York but it goes much further than that, showing the effect on a larger circle of people, who include a boy having a Bar Mitzvah and his parents, all three of them (924 8782).
Grand Hotel (Martin Beck). Tommy Tune, Broadway's present musical doctor, directs this remake of the Garbo film to shake the bones of this inert depiction of lives criss-crossing in an elegant, but somewhat random setting (246 0102).
Cats (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6262).
Les Miserables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).
Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this transfer from London (239 6200).
Gypsy (St James). This 30th anniversary production is a reminder of the heyday of the American musical with memorable tune after memorable tune, as well as a forceful plot about the ambitious stage mother who encourages her daughter into burlesque (246 0102).

Washington

Grand Hotel, the Musical (Opera House). Tommy Tune's five Tony award winning musical stars Liliane Montevecchi, Brent Barrett and Mark Baker in the remake of the Garbo film that recreates decadent, dark and dramatic Berlin of the 1930s. Kennedy Centre (468 4600).

Chicago

Other People's Money (Royal George). Corporate takeover artist Larry "the Liquidator" Garfinkle is played for all his mischievous worst by Peter Van Wagner in Jerry Stern's funny and telling view of contemporary finance, directed here by the star of the off-Broadway production, Kevin Conway (988 9000).
Phantom of the Opera (Auditorium). The midwestern production stars Karen Culliver surrounded by the familiar chandelier and other heavy duty props in a full blown staging (902 1919).
A Christmas Carol (Goodman). William J. Norris returns for his 12th season as Scrooge in the annual Goodman production (443 3800).

FINANCIAL TIMES
NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Wednesday December 19 1990

Escape from the debt trap

IT TOOK six years from the onset of the debt crisis, in 1982, for industrialised countries to realise that the Third World debt problem would not be solved by creating new debt. In 1988 governments recognised that they would have to forgive some debt owed to them by the poorest countries. In 1989, the Brady initiative signalled international help for the process of lowering Third World debt owed to commercial banks.

These belated steps have somewhat reduced the debt burden, as the World Bank underlines today in its annual assessment of developing country debt. But, as it also suggests, much remains to be done before the debt crisis can be consigned to history.

The immediate risk is that conflict in the Gulf would reverse much of the improvement in the debt positions of oil-importing developing countries. Beyond that, the improvement is precarious; the benefits of debt relief can be negated by changes in exchange and interest rates, and the terms of trade.

The report also indicates how little the poorest countries, whose debt is mostly owed to official creditors, have benefited from the 1988 debt concessions, known as the Toronto terms. This is why Mr John Major should not let his domestic concerns prevent him from pursuing the debt initiative for the poorest countries he announced, when chancellor of the exchequer, in Trinidad. This proposal could result in a deep and long-standing cut in the still intolerable debt burdens of the poorest countries.

Bold reforms

Official debt is not just a problem for the poorest countries. Three-quarters of Poland's fast-growing debt burden is owed to governments. As the US and others have recognised, the country's bold reforms could be made unworkable, unless it is relieved of a large part of this burden.

As for the commercial bank debt of the middle income countries, the Brady plan has, the Bank estimates, resulted in savings equivalent to writing off one-third of the commercial bank debt covered by the agreements reached so far. Help has been provided for Mexico, Costa Rica and the Philippines and is on the way for Venezuela and Uruguay.

Nevertheless, Costa Rica's economic reform programme appears to be slipping, and the Philippines may need yet more debt relief. The biggest debtor, Brazil, remains a huge challenge, and for others, the benefits of the Brady plan appear to be slow in coming.

Profound restructuring

By contrast, Mexico appears to have a chance of converting the modest benefits of its Brady deal into a long-term resolution of its foreign debt problem. This is because it has combined the confidence-building elements of its deal with an economic restructuring more profound than many close observers of the country thought possible. There are signs of a modest increase in foreign investment, a return of some flight capital and voluntary borrowings in the bond market.

In short, the debt crisis is slowly, unevenly and painfully being resolved, as international policy-makers stumble towards a framework analogous to commercial bankruptcy for sovereign debtors. A framework that functions properly could reduce this period of transition. The goal at least is clear: it is to reach a situation in which domestic and international investors view a given debtor country as once more a suitable home for their funds. In the mean time, the growth in the share of Third World debt held by the official sector is an inevitable consequence of the present phase of the debt strategy.

However important, debt forgiveness will not solve the economic problems of the Third World on its own. In addition, macroeconomic reform is required in the debtor countries themselves; property rights must be established to allow profitable and safe investment and, last but not least, a liberal international trading system must be in place. Generosity over debt reduction, hard-headedness over developing country economic reform and courage over their own trade liberalisation is what is required from the industrial countries.

Passengers must come first

AMERICAN Airlines' agreement to buy Trans World Airlines' services from the US to London, following the purchase of Pan American's similar services by United Airlines, adds to the pressure for changes in two aspects of British air transport policy: the methods of allocating capacity at London's congested airports, and the methods of regulating international services.

Both American and United have made their purchases conditional on retaining the rights now held by TWA and Pan American to operate from Heathrow. Indeed, the value of the rights to fly to the UK would be a great deal less if Heathrow could not be used. But the present regulations governing access to Heathrow and the services between the UK and the US bar the transfer of such rights. Only airlines which operated from Heathrow before 1977 can now use that airport.

The rules controlling the use of London airports are now being reviewed by the Civil Aviation Authority, while the Department of Transport is also studying more radical changes such as the auctioning of capacity at airports. Introducing market forces into the allocation of scarce capacity at London's two main airports could solve this problem – as well as eliminating much of the value of PanAm's and TWA's present routes.

Negotiated solution

The solution to this dilemma is likely to come from traditional inter-governmental bargaining during the current renegotiation of the bilateral agreement that regulates airline services between the UK and the US. However out-dated the concept of agreements between governments to share out capacity on international services may seem, such agreements remain the basis on which international services are controlled.

The future of these agreements needs rethinking now that the scope of deregulation in the airline industry within Europe is beginning to approach that within the US. There would be something rather odd about restrictive agreements to control the services between Europe and the US, while a high degree of freedom exists at either side of the Atlantic. Mr Samuel Skinner, the US secretary for transportation, has said that the interests of the consumer should come first. If that was the case, there should be no controls over entry to the transatlantic or any other airline service, domestic or international: foreign airlines would be free to operate within the US and within Europe, and all bilateral agreements would be scrapped.

Ultimate objective

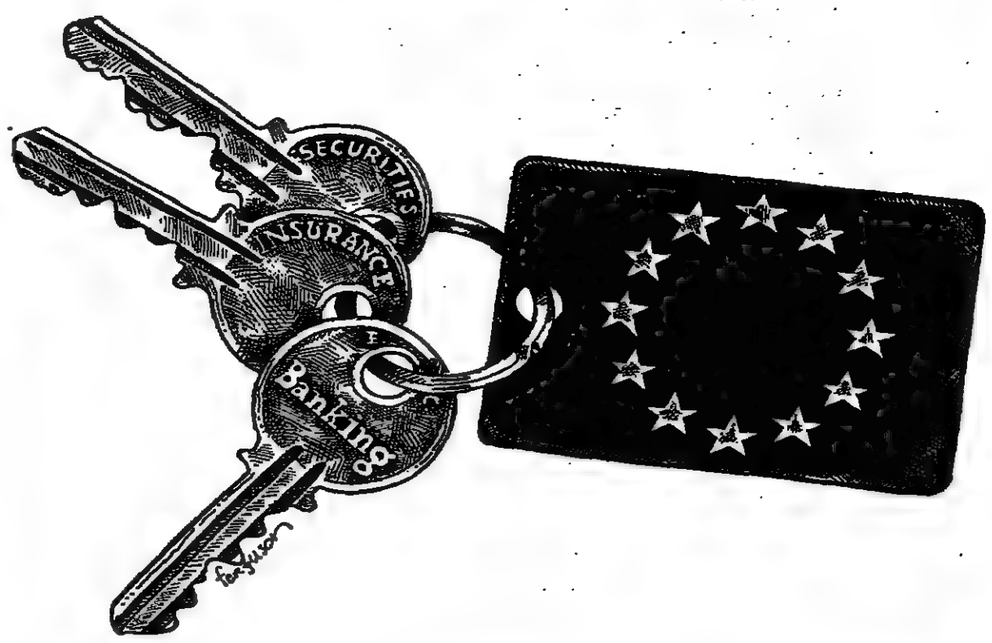
While this degree of freedom should be the ultimate objective, the current negotiations between the UK and the US are likely to follow the traditional pattern of bargaining over the nature of the rights for British and American airlines to fly between the two countries. In these bargaining sessions, when access to Heathrow will be traded against access to more of the US, the negotiators must remember that the interests of travellers in each country would best be served by increasing the number of services which the other country's airlines could operate.

The British government cannot, however, offer what American airlines most desire: access to more routes in Europe. This suggests that, so long as bilateral agreements continue, the appropriate negotiating unit in Europe is the European Community, not the individual nation states. The next stage of deregulation for the European airline industry, which will come up for debate next summer, will concern the access of foreign airlines to routes within Europe, which will be a crucial step in promoting effective competition on European routes.

Decisions on this issue may affect the validity of existing bilateral agreements; and the Europeans will no doubt demand that access to Europe for foreign airlines should be matched by access to other countries, especially the US, for European airlines. In these complex negotiations it is to be hoped that the negotiators will not forget that the process is intended to benefit travellers rather than the airline industry.

Lucy Kellaway and Tim Dickson examine the deregulation of financial services in the European Community

Painful birth of single market



It was billed as the biggest, the most open and the most unified financial market in the world. The plan was breathtakingly ambitious: building a single market in financial services in Europe meant knocking down centuries of established business practices, and cutting across areas that member states had always regarded as their own.

In the mid-1980s, financial services were more fragmented than almost any other European industry. A small handful of technical banking directives, a couple of minor measures on stock exchange listing requirements, and a dozen or so yellowing draft directives on insurance were the only sign that anybody had thought beyond purely national markets. But now about half of the 50 European Community directives that will make up the single market have been passed, and the pressure is on to agree the rest. For the first time, the completion date of the end of 1992 seems possible.

However, it is becoming clear that the structure of financial services may resemble only in passing the original vision. On January 1 1993 there will be no dash into the Portuguese stockmarket, neither will there be a flood of Danish insurance companies establishing themselves in Paris.

The savings from a single market in financial services are not going to come quickly; the Ecu23bn a year – 0.7 per cent of Community GNP – cited in the Cecchini report, a Commission document that set out the gains of the single market, now looks far-fetched. Even with all the EC measures in force, deep cultural differences will remain in the way business is done, in taxation between member states, in consumer patterns and loyalties. It may be possible in theory to sell financial products anywhere, but building a sales network is likely to be prohibitively expensive. Meanwhile, an antiquated payments system means that the simplest cross-border payment can take weeks. At least for the consumer, a single market in financial services is likely to remain a fiction.

By contrast, in the wholesale markets, which process large transactions, there is already plenty of cross-border action, though this is less European than global. Electronic trading, the lifting of capital controls, and a spate of banking and securities mergers have all shifted the focus of markets beyond national frontiers. The big financial reforms that nearly all EC countries are carrying out are not an attempt to steal a march on beat 1992 but are designed to increase their attractions as international financial centres. London did not wait for any EC directive before its Big Bang in 1986, neither did Italy need the second banking directive to pass laws giving its banks more freedom.

This does not mean that the scores of EC legislators and negotiators are wasting their time. The new directives will prevent countries from introducing rules that keep each other out, and will also set minimum regulatory standards beneath which member states cannot fall. The effect of the hype itself may also be helpful, perhaps prompting countries to liberalise faster than they otherwise might, and encouraging companies to stop thinking national.

After five years of haggling, there is now a broad consensus among member states over what the single market will look like. "We have tinkered with some deadlines and changed a few words, but we have not compromised on a single matter of importance. All member states now agree with the basic principles we are trying to establish," says a senior Commission official. The problem is more to find an approach that is compatible with the starkly different ways of doing business in different member states. At first sight, British habits look irredeemably liberal, French, Belgian and southern European habits somewhat protectionist, while the Germans' are a mixture of liberal and over-regulated. On closer inspection the differences are more complicated, with alliances ever-changing and shifting, but with agreement possible on a basic model.

This consists of three elements: freedom of capital movements across the Community, freedom for EC companies to set up business wherever they like, and freedom to provide services in different countries. The first has been in place since last July, and the effect has been marked. The result has been far greater internationalisation of portfolios, which in itself has increased the pressure to allow companies to raise money wherever they like, and for them to be able to do business anywhere.

In each sector the idea is that companies should have a "single passport", which will allow them to do business anywhere in the EC. In the jargon, the system is being built on three principles: home country control, mutual recognition and minimum harmonisation. In plain English, regulators will issue the passport to their home companies and will regulate their companies' operations all over the Community. For the system to work, those regulators must be accepted everywhere. That in turn means that some minimum level of regulation set at EC level – covering crucial matters such as the capital requirements of banks and brokers – must be in place everywhere.

One effect of this has been far greater co-operation between EC regulators. Although banking regulators have always co-operated, in securities and in insurance the idea was relatively novel. A single market may not entail a single regulator but it does mean a greater overlap between regulators. Co-operation is being reinforced by new directives on insider trading and money laundering, agreed on Monday.

Progress in building the model has edged along at different speeds. The easier parts are through, with the more difficult measures left until last.

● Banks. The Second Banking Directive, agreed last December, was the first example of single market principles, and provides the best glimpse into how the new system will work. After 1992 it will allow banks to provide a whole range of services from lending to advisory work to securities business. Some British bankers are sceptical about its effects, arguing that the freedom to establish anywhere in the EC was there already. "Sir Leon Brittan talks as if he has just created the greatest banking market in the world. That is baloney," says one senior British banker. Critics point out that there are too many banks in Europe anyway, and that the costs of setting up branch networks overseas are prohibitively high.

Even with all the EC measures in force, deep cultural differences will remain in the way business is done

In some countries the effect of EC banking legislation may be enormous. In Germany, for example, banks are not allowed to sell money market funds, whereas in France the market for such funds is thriving. The prospect of French banks seizing this market in Germany after 1992 will probably mean that German law will be changed, with potentially damaging results for bank profitability. According to McKinsey, the management consultancy firm, such liberalisation could mean German banks could see their profits fall from $8bn to $1.8bn a year.

The banking directive is relatively open to the outside world – a pattern to be repeated in the other directives. Non-EC countries' banks will be welcome in the EC unless they discriminate against European banks at home. The idea has been to convince the rest of the world that the EC is not a fortress, and to encourage liberalisation elsewhere, by example, not by coercion, and so far it could be having some effect. Sir Leon Brittan, EC Commissioner for financial services, has been touring the US making flag-waving speeches, and EC legislation is being used as an argument in the US for abolishing restrictive US banking practices.

● Securities. Legislation to remove some of the barriers for investors, issuers and intermediaries is in various stages of discussion. For investors most of the work has been done by removing capital controls; for issuers some progress has been made on common stock exchange listing particulars. Protection for investors is to be improved through a ban on insider trading, limits on share disclosure, and common rules to be established in the conduct of takeovers.

The challenge is now to create the famed single passport for investment companies and to set the minimum capital rules. Finance ministers are still squabbling over the details, but a solution may be in sight for the beginning of next year. A bridge needs to be built between two fundamentally different approaches to consumer protection: in France, for example, the regulations are rigidly applied to individual markets, whereas in the UK, each market is allowed to operate more freely, backed by a flexible regulatory framework of authorised dealers.

Meanwhile the UK and Germany are engaged in a battle over the issue of capital adequacy for stockbroking firms. Germany is still opposed to seeing much looser capital restrictions applied to securities firms than to banks, while the UK is concerned that tight definitions of capital would put half its investment industry out of business.

● Insurance. Moves to liberalise what remains a highly fragmented sector have long been frustrated by a lack of political will, the daunting technical challenge of reconciling different European regulatory traditions, and the sensitivities surrounding the issue of policyholder protection. But in order to weld 12 different, compartmentalised markets into a single market Brussels is seeking nothing less than to abolish separate host state authorisations and introduce the principle of home country control.

So far modest steps towards freedom of services have been taken in the Second Non Life and the Second Life directives, which respectively allow genuine cross-border business for big company risks and where consumers on their "own initiative" seek an insurance policy from a company established in another EC country. But the big prize lies in the two proposed framework directives – one already on the table, the other likely to be unveiled early next year – which, if adopted, will introduce full mutual recognition by national regulatory authorities and freedom for companies to operate on the basis of a single insurance licence.

Although it seemed like a setback at the time Brussels' thinking is influenced by a 1986 European Court judgment. This concluded that "host" country rules were justified due to the lack of harmonisation in technical reserves, on the controls of the assets representing those reserves, and of policy conditions.

The two new "framework directives", plus the existing Insurance Accounts which includes most of the necessary harmonisation for non-life businesses, are aimed at agreeing common EC-wide rules for these three areas.

The tough bargaining has yet to get under way in Brussels but EC officials maintain that all governments (including the Germans) now implicitly accept the principle of the single passport. Key issues, for example, are how far the Commission can get away with its avowedly minimalist approach to regulation and to what extent product design can be liberalised by eliminating national systems of individual policy approval.

Once the 20 or so key directives are through the legislative machine, several areas remain to be tackled – Sir Leon has his eye on the market for pension funds. Otherwise the Commission seems ready for a future spent devising tiny and technical modifications to existing directives. It will be up to the market to make sure that the reforms deliver their promise. It will also be up to member states to agree the most important measure of all – a single currency. Twelve different currencies and 12 different interest rates are not, after all, the best basis for a big, open and unified financial market.

OBSERVER

Hizzoner gets stoned

■ Ed Koch, the combative ex-mayor of New York, decided yesterday to help out his old friend Teddy Kollek, the veteran mayor of Jerusalem who is fighting a losing battle to persuade foreigners – especially wary American Jews – that the city is still safe to visit.

The two set out, complete with a bevy of cameramen, to walk through the Old City, scene of the killing of nearly 20 Palestinians by Israeli police on October 8 and as devastated as anywhere in the Holy Land by a slump in the tourist trade induced by the Gulf crisis and the Palestinian intifada.

As the cramped alleyways of the mainly Arab Old City were firmly shuttered in response to a Palestinian protest strike, the pretence of normality was pretty unconvincing. It was completely shattered, however, when a rock hurled by some unseen intifada activist bounced off a wall and hit Mr Koch square on the top of his head.

Dabbing a small cut with his handkerchief, the former mayor gave a characteristic – if rather hollow – verbal riposte. "I would hope that the Jews and Christians in New York and the United States would say: 'You're not going to keep us out of Jerusalem, you're not going to prevent us by stoning innocent people from supporting the people of Israel.'"

It was clearly not the moment for Mr Kollek to advance his favourite saw that the streets of Jerusalem are much safer than the streets of New York City.

Final bid

■ Have all the City's brains been made redundant? For the first time ever Goldman Sachs's London office has had no completely correct answer to its Christmas quiz. Any reader who can supply them is in line for two jeroboams of fine champagne. The three questions are:

Which countries make up the difference between the G7 and the G10?

Which exchange rate would Agent Cooper be most interested in this year with regard to Laura Palmer's murder?

Which currency would a Persian wild animal carry while walking backwards to its royal resting place?

Answers to David Morrison by close of business tonight. Telephone 071-499 2291; fax 071-499 2869.

Patten time

■ What was the first question a City seminar audience bowled at Chris Patten, Tory party chairman?

No, it wasn't seeking the election date, nor hints about the shape of John Major's promised fresh agenda. It was whether the Irish government would change its constitution with regard to Northern Ireland.

Patten seemed peculiarly well prepared for this odd City inquiry.

He enthused that the advent of Mary Robinson as president, and the appointment of Cahal Daly as primate of All Ireland, said "an enormous amount that was good and positive about Ireland as a whole".

He added: "In the wake of what that tells us about the Republic in the 1990s, there may be a more solid move to adjust the Irish constitution to remove the territorial claim to the North." This would then put on the spot those Northern Ireland politicians who consistently avoided hard political choices.

As for the mundane matter of the election date, Patten was pressing the advantages of giving the new team time to develop some big ideas for the 1990s. "We have to identify a tune people can whistle."

Roger Palmer, the Kleinwort Benson Securities' director who organised the seminar, interprets this to mean May/June 1992 is the most likely election date.

He may be right. After all Patten was a long time political consultant to Grieveson Grant, now part of Kleinwort.

"I wouldn't be part of a divided Soviet Union that would have me as a member."

Sid's lore

■ No prizes for guessing what Sir Peter Thompson, the not so retiring chairman of NFC, intends to do for his next career.

"Creating a nation of shareholders is the priority," he announced after his final NFC press conference. "I want to get all those Sids to take the next step and buy non-privatisation shares."

Confessing this modest ambition was the climax of a vintage Thompson performance. Calling himself the last of the dinosaurs, he cheekily wished his successor luck and summed up his own performance by misquoting his favourite comedian, Ronald Reagan: "Not bad, not half bad."

At his farewell dinner on Monday, Sir Peter was presented with a plaque bearing an inscription and a cobblestone from the company's 13-acre Camden development site. He could not be allowed to retire without getting something out of the site after almost eight years owning it.

For the record

■ Working on after hours at the North of England Building Society in Sunderland, head of investment services Brenda Howard heard a phone ring. When she picked it up and introduced herself, a female with a foreign accent replied: "Oh, I wanted to speak to the answering machine."

Obligingly, Howard asked if she could help instead.

"No," said the voice, "this is personal. I must speak to the machine. Goodnight."

Tortuous prose

■ While British newspapers readers woke up yesterday to read that Mr Asil Nadir, the Polly Peck chairman, had spent the night in a London gaol, readers of Günaydin, an Istanbul daily, were being treated to a rather different version.

Under the headline "An Ugly Plot Smashed," it announced that Mr Nadir had been set free after a seven minute hearing and a thirty hour "doubtful" interrogation, amidst Greek Cypriot panic and Turkish rejoicing.

"It seems that torture is not only practised among us [Turks]," brooded one Günaydin writer darkly. The newspaper in question happens to be the flagship of Mr Nadir's Turkish press empire

The centre slowly loses its hold

Yugoslavia's federal structure is being fractured by nationalist feelings, writes **Judy Dempsey**

The tasks confronting Yugoslavia's prime minister, Mr Ante Markovic, become more Sisyphean by the day. Every time he tries to implement reforms, fresh obstacles appear. These force him to retreat. But the obstinate prime minister persists in pushing ahead with reforming his country's economy. So far, he has succeeded. It has not been easy.

The country of 23m people over which Mr Markovic governs consists of an ungainly collection of six republics, each with its own traditions. Some, such as Slovenia and Croatia, were weaned on the Hapsburg empire, while others, such as Serbia, were once dominated by the Ottoman empire. Some have their own language and religion. The Croats are Catholics, the Serbs are Orthodox, the Albanians are Moslem. The alphabet too is different. In Slovenia and Croatia, it is Latin; in Serbia, Macedonia and Montenegro, it is Cyrillic. There are few unifying forces in the country.

It was not always so. President Tito, who died in 1980, glued the country together. His authoritarian personality helped; so too did the memory of the second world war in which the Nazi-backed Ustashi movement from Croatia murdered tens of thousands of Jews and Serbs. Out of the ashes of 1945, Tito's communist Partisans created a new Yugoslavia.

Tito had much sympathy from the international community. His break with Stalin in 1949 ensured western support and financial assistance, even though it overlooked Tito's gulags, the tough Communist-run internal security, and the economic inefficiency which saddled the country with a $20bn debt. These factors together guaranteed stability. They also relegated government to a status which had no power or moral authority. This is the legacy which Mr Markovic has inherited.

In spite of this legacy, Mr Markovic's 20-month-old government has managed to push through substantial economic reforms as the country passes from Communist party control to freely-elected governments in all the six republics.

Inflation has been brought down from 200 per cent a month in 1989 to 10 per cent a month. The dinar has been made partially convertible after it was tied last January to the German D-mark. Prices have been freed and imports liberalised. Foreign companies have been given incentives to invest. But the next phase of the reforms, which include implementing privatisation and a new fiscal system, have run up against the second and more lethal legacy bequeathed by the Tito era: nationalism.

Ten years after Tito's death, nationalism has taken on a new and potentially destructive dimension. The man responsible for placing nationalism on the political agenda is the Communist Mr Slobodan Milosevic. Last week, he was elected president of Serbia, the largest of the six republics.

Serbia is to the western republics of Slovenia and Croatia what Russia is to the Baltic states. It is big – it covers 35 per cent of the country's entire territory; powerful – it is the country's biggest food producer; and dominant – it has a population of 9.4m. Mr Milosevic, a young ambitious communist official who entered the political limelight in the autumn of 1987, has attempted to reassert Serbia's dominace throughout Yugoslavia.

His stepping stone was the Belgrade Communist party organisation, the largest and most powerful in the country. He ousted all his erstwhile Communist allies on the grounds that they were corrupt and bureaucratic. He was hailed by Serbs as the one man who would clean up the ruling Yugoslav Communist party.

The Communist leaderships in the other republics took fright. They feared that Mr Milosevic would extend his zeal into their republics. Overnight, they donned the mantle of reformers by changing their names to social democrats. They called free and multi-party elections in the belief that if they were returned to power they could use the mandate to keep Serbia at arm's length.

They were mistaken. Unwittingly, both they and Mr Milosevic unleashed the genie of nationalism.

Free elections provided an ideal platform for nationalist movements in all the republics. Here, the political parties were based largely on ethnic background. Until last May, when Mr Markovic founded his Party of Reformed Forces, there was not a single party which represented "Yugoslavia". Instead, these new right-wing nationalist political parties in the republics pandered to ethnicity. The election campaigns during April and June in Slovenia and Croatia were specifically directed against Serbia and Mr Milosevic.

After his purge of the Belgrade Communist party organisation in 1987, Mr Milosevic broadened his support by promising to regain for Serbia the southern autonomous province of Kosovo, which is inhabited by the 1.8m ethnic Albanians, the majority, and the northern province of Vojvodina, which is inhabited by Serbs, Croats and Hungarians.

In 1945, Tito had carved these two provinces out of Serbia with the expressed aim of curbing the powers of this proud republic. In 1974, they were granted more autonomy.

Because Tito had suppressed any nationalist sentiments, Serbs could not express their grief at having Kosovo, the seat of the old Serbian kingdom, separated from the Republic. What Kosovo is to Serbia, Transylvania is to the Hungarians: a mystical notion which arouses fiery emotions.

This is understandable given the way Mr Milosevic tapped the Serbian nationalism by promising to re-integrate Kosovo. The republics of Croatia and Slovenia shuddered at the prospect of a Greater Serbia. But they underestimated the extent of Serbia's intentions.

Through constitutional amendments, the republics allowed Serbia to regain control over Kosovo in 1989 (and later Vojvodina) in the naïve belief that this would stem Mr Milosevic's political ambitions and dilute ethnic tensions. It had the opposite effect.

The takeover of Kosovo was a disaster. Scores of ethnic Albanians were killed during anti-Serb demonstrations and hundreds of ethnic Albanians were sacked from their jobs under the new Serbian administration in Kosovo. These actions served to rekindle an Albanian political consciousness. As a result, the province is today ungovernable.

Mr Milosevic was undaunted. Once he uncorked the nationalist genie, he pitted the ethnic Albanians, and the republics of Slovenia, Macedonia, Croatia and Bosnia-Hercegovina against Serbia. They feared a Greater Serbia dominating Yugoslavia. These fears have provoked a heated discussion about what kind of political structures post-Communist Yugoslavia should construct.

Many of the republics are taking measures to protect themselves. On December 23, the Slovene government will hold a referendum on whether this small republic should secede altogether from the federation. Neighbouring Croatia, meanwhile, is drawing up a new constitution aimed at creating a confederation in which economic and political autonomy would be devolved to the individual republics.

Mr Milosevic, for his part, wants to maintain the federal system. The army is on his side. Earlier this month, Colonel Veljko Kadijevic, the defence minister, said the army, whose officier corps is 70 per cent Serb, would defend a socialist and federal Yugoslavia. Mr Markovic remains nonplussed, even though military intervention against the republics would have serious consequences for his economic reforms – and for Yugoslavia.

Against this background of nationalism and ethnic unrest Mr Markovic has remained above the political fray. He has continued doggedly to implement his economic reform policies, which paradoxically, hinge on the existence of an integral Yugoslavia.

His optimism that Yugoslavia will continue to exist as a single state is based partly on the practical difficulties of coping with the physical break-up of Yugoslavia. "How can we renege on 2,000 multilateral and bilateral agreements?" he asks. He also believes, some say naively, that reason will prevail over the present climate of inflamed national feelings.

For the moment, reason is as elusive as the republics reaching a consensus about what sort of political house in which they want to live. But if Yugoslavia wishes to enter Europe, as it desperately does, it is time the republics sat around the table to discuss their future.

The future of broadcasting

When the regulated 'capture' the regulators

By Sir Alan Peacock

Now that the Broadcasting Bill has received the royal assent, serious questions arise about how to interpret some of its contents. There is nothing unusual in this. A government laying down the functions of a regulatory body, such as the new Independent Television Commission (ITC), has to steer a course between spelling out in detail how these functions are to be carried out and allowing discretion in the interpretation of legislative wording. Over-elaboration of regulations may encourage regulators to be inflexible and too cautious and to alienate the regulated – in this case the independent television companies. Legislative clauses couched in inscrutable language may tempt regulators to exceed their brief as conceived by the legislators.

The economist George Stigler has theorised that regulators are captured by the regulated, the result being, as Adam Smith would have it, "a conspiracy against the public". Producer groups, says Stigler, are easier to organise as a lobby than are the consumers of their products. This is certainly true of broadcasting. Government may unwittingly buttress the producers' position if it restricts freedom of entry into the market. This is also true of broadcasting. Both the formulation of legislation and its later interpretation will rely on producer co-operation, and this will be bought at a price. The successful resistance put up by independent television companies to proposals to prescribe the times when news and educational programmes are screened is an example.

The common assumption that companies passively react to stimuli from government agencies, like Pavlov's dogs, may be convenient but it is clearly erroneous. The truth is likely to be that government agencies become involved in continuous bargaining with the companies they regulate. The outcome may be both indeterminate and unstable.

It is to the government's credit that, consciously or not, it has partially recognised the problem. It has tried to get round it by providing the regulators with precise, unequivocal rules which neither regulators nor the regulated can easily manipulate. A good example is to be found in the Retail Price Index (RPI) + X formula – where X is an increment – used to set prices in such diverse sectors as electricity, telecommunications, water and broadcasting. In the case of the BBC, the increase in the licence fee is simply tied to the RPI so that X = 0. This does not prevent the BBC from arguing that X should be greater than 0, whereas the government is now considering whether or not to phase out the licence fee – that is to say X would take a progressively greater negative value.

It is ironic that the regulators Sir Bryan Carsberg (telecommunications), Mr Ian Byatt (water) and Professor Stephen Littlechild (electricity) who have to apply these formulas, must all be sympathetic to the Stigler approach to the economics of regulation. Now they must prove him wrong.

However, the activities of independent television companies cannot be regulated by recourse to a formula. The Broadcasting Act sets an immediate test for the embryonic ITC – how to react to the Sky/BSB merger. This is a useful illustration of the problems in applying the "capture" theory. The incumbent franchise holders have been vociferous in their complaints about a "satellite monopoly" freed from the regulatory constraints under which they are expected to operate. They have sewn up the television market together with the BBC. While they have a firm hold on the television advertising market, the BBC has an assured income through the licence fee. If that market is to become contestable, one satellite interloper with some prospect of financial viability is better than two which could drive each other into bankruptcy.

Andrew Knight, chairman of News International, rightly argues that the merger, along with the existing terrestrial television companies, will soon have to compete with the other 25 channels on the Astra satellite. A merged Sky/BSB would, in any case, have to obtain licences from the ITC, which presumably means that it becomes subject to the ITC codes of practice and quality regulation. It is hardly within the spirit of the Act that the merger of Sky and BSB should be stopped on grounds of restriction of competition. Competition would be even more restricted were it disallowed, and this is against the interests of the consumer who should be sovereign. One suspects that the ITC will please the ITV companies by answering the government's question "is the merger legal?" by saying "no". It can then at least claim that it has simply applied the law as it was meant to be applied.

Looking a little further ahead, the next test of Stigler's thesis could arise from the spelling out of the meaning of "the quality threshold" when television companies bid for franchises. Dr Veljanowski demonstrates clearly in his recent article (FT October 16) that the growing competition between satellite and terrestrial broadcasters must force the latter to improve their operational efficiency. Only in this way can an ITV company find itself in a position to have both a chance of success in the franchise bid and to give shareholders a satisfactory return on their capital.

Dr Veljanowski is right, provided that the ITC insists on a strict interpretation of quality broadcasting. As the BBC gets away with a policy of keeping up its ratings by popular programmes in direct competition with ITV, one has every sympathy with the independent companies placed between the Scylla of "quality regulation" and the Charybdis of growing competition. I would not want to place any money on the proposition that George Stigler's theory offers the best guess at the outcome. What I am sure about is that the problem will not go away.

Sir Alan Peacock, executive director of the David Hume Institute, Edinburgh, chaired the Committee on the Financing of the BBC which reported in 1986.

LETTERS

Survival of the highly competent

From Mr Allen Sykes

Sir, In the course of a thoughtful and wide-ranging letter, Frantisek Nepil ("Competition is the key to success", November 29) disputes the practicability of two proposals in my recent article on improving corporate governance ("Bigger carrots and sticks", October 31).

First, Mr Nepil believes my proposal for allowing directors options on 5 to 10 per cent of a company's equity in return for putting at risk, in advance, up to two years' salary, is both too generous and likely to cost shareholders half the equity over a century. My article was too short to contain a full explanation of my proposals plus the necessary qualifications (see my David Hume Institute paper). My 5 to 10 per cent proposal is merely illustrative, applicable only to a medium to small company. For a huge company it might more appropriately be but a fraction of 1 per cent. Also I recommended that the CBI, IOD and other appropriate bodies with full investor representation should be involved in developing the appropriate incentives. My proposal is based on a dislike of the present system which gives directors free options but is confined to only four times salary. Long experience of successful MBOs and MBIs shows that when directors risk up to two years' salary but can earn significant equity rewards (far in excess of four times salary) *when they achieve stretching targets*, all other investors do very well out of it.

A much superior incentive scheme offers great advantages to investors, since superior performances will far outweigh the cost of the options.

The equally important point to note about my proposal for directors is that it would strengthen the quality of boards since only the highly competent would risk up to two years' salary. Further, only they would be acceptable to their fellow directors and to the powerful long-term investors inherent in my other two complementary proposals.

Mr Nepil's second point is to doubt whether long-term funds could be cheaper with a bank as a major shareholder and the provider of a large large part of capital as long-term loans. He mistakenly believes a bank would need to use the higher equity returns to subsidise the loans. My proposals involve a bank having a significant equity stake such that with the other three to five proposed investment institutions they could provide *knowledgeable, long-term* ownership and ensure competent management. By being closely involved with the directors (and indeed appointing some part-time directors), a bank would have the knowledge and confidence to lend large sums for long-term development. This is standard practice in western Europe and Japan, where long-term corporate efficiency so exceeds our own.

Allen Sykes,
Mallington,
29 The Mount, Fetcham,
Leatherhead, Surrey

Facts and figures from Hanson

From Mr Martin G. Taylor

Sir, Lex, which did not speak to us, seems on Saturday to have got its holly mixed with its ivy. The Hanson Source and Applications of Funds issued with the accounts on Friday shows on the one hand profit of £1,285m and on the other an outflow of £127m for utilised provisions. The first figure is the profit for the year to September 30 1990; the second, more than 85 per cent of which relates to ARC Properties and our decision to discontinue this business, is an increase in provisions. This outflow is treated in the only way possible, at the "extraordinary" level; it has nothing to do with the "release of unspecified provisions".

The working capital did not rise by £42m but by £299m. Most of this relates to a reduction in creditors following a one-off accrual in 1989 for consideration due to Consolidated Goldfield's shareholders which was paid in October 1989.

To suggest that it is odd that Peabody's net assets should equal its purchase price is to fail to understand the process. First determine the obligations, then determine whether the figure necessary to bring the value of the 100 years' worth of coal reserves previously held at cost in the balance sheet at the balance figure is fair. This figure (about 45 cents a ton) is indeed fair and conservative. The reserves might have been valued more highly, but we have never believed in the concept of the dangling debt.

Martin G. Taylor,
vice-chairman, Hanson plc,
1 Grosvenor Place SW1

A bright outlook for Scottish oil and gas industries

From Dr Harold W.D. Hughes.

Sir, In your survey ("Granite city, buoyant again", Scotland survey, December 14) you cover the outlook for the offshore oil and gas extractive industry and comment, rightly, on its long-term future. If anything, you understate that future. The UK Offshore Operators Association's own study last autumn, carried out with input from 36 member companies, showed an expectation of an industry still producing well over 1m barrels of oil a day in 25 years' time, compared with a current UK self-sufficiency figure of about 1.6m barrels a day. Although oil price will always be a determinant of activity, we expect this position to be achieved through the development of between 100 and 300 new fields, many of which have already been discovered. With gas, the UK position is even healthier, with reserves and expections capable of sustaining a 50 per cent increase in output for at least 25 years.

There is no doubt offshore oil and gas will continue to play a significant role in sustaining the UK economy, and providing jobs for those within it and servicing it.

Dr Harold W.D. Hughes, OBE,
director-general, UK Offshore Operators Association Ltd,
3 Hans Crescent, SW1

A hard Ecu managed by EMF would not be inflationary

From Mr Paul Richards.

Sir, The UK proposals for a hard Ecu managed by a European Monetary Fund in Stage 2 would not be inflationary, contrary to Professor Tim Congdon's claims ("Defence of the hard Ecu", December 11). He confuses a number of points arising from my article ("More questions and answers on the hard Ecu", December 3).

First, any increase in hard Ecu money represented by EMF liabilities would be matched by a reduction in national currency. EMF exercise of the repurchase requirement would enforce this.

Second, broad money denominated in hard Ecus, which would include any deposits with the commercial banking system, would be controlled by setting the level of hard Ecu interest rates, in the same way as broad money denominated in national currency is controlled by setting national interest rates. There would be no inconsistency between the use of this mechanism of control and the dependence of hard Ecu circulation on market choice.

Third, in setting hard Ecu interest rates, the national central bank governors represented on the board of the EMF would be constrained to run a tight monetary policy by the requirement not to devalue the hard Ecu against any national currency at ERM realignments.

Fourth, the preservation of the value of the hard Ecu would therefore be a higher priority for the EMF than the promotion of its use in substitution for national currencies. But success in the first one would be likely to lead to the spread of the second.

Finally, controlling broad money denominated in both Ecus and national currencies would in any event become increasingly important during the transition to monetary union: the October Rome communiqué states that the use of the Ecu is to be promoted in Stage 2. Adoption of the hard Ecu as the EC's common currency would enable the EMF to influence monetary conditions in hard Ecus directly, through changes in hard Ecu interest rates. By contrast the basket Ecu, which represents an average, could not influence conditions, and so would do nothing to promote convergence on low inflation.

Paul Richards,
10 Lower Thames Street, EC3

FINANCIAL TIMES
Wednesday December 19 1990

World Bank warns on official debt

By Michael Prowse in Washington

THE World Bank says there has been a "significant and unsustainable" rise in developing countries' reliance on official debt.

This has transferred risks from private to official creditors and left governments "correspondingly more exposed to policy slippages and adverse external developments," according to the Bank's latest asssessment of the Third World debt crisis.

The report, published today, also warns that the Gulf crisis is imposing a "severe burden" on many developing countries and threatens to reverse modest progress in resolving long-standing debt problems.

Official creditors are supplying three quarters of debt-related net flows to developing countries, compared with one third in the early 1980s.

The share of official debt service in total debt service (payments of interest and amortisation) has risen to 37 per cent from 10 per cent in 1982.

The outstanding stock of long-term offical debt has tripled to $521bn since 1980. Including the use of short-term International Monetary Fund (IMF) credit, official debt now accounts for 46 per cent of developing countries' total debt, up from 32 per cent in 1984.

The increased reliance on official creditors reflects private banks' decision to reduce their exposure to the Third World and the impact of official debt reduction initiatives, such as the plan named after Mr Nicholas Brady, the US Treasury secretary. Such schemes have reduced the commercial liabilities of developing countries while increasing the exposure of official creditors.

The bank also notes that dollar devaluation since 1985 has increased the stock of official credits proportionately more than private credits.

In addition, reductions in private debt because of debt-equity swaps have more than offset debt forgiveness and concessions for poor countries by the Paris Club of official creditors. The switch to official creditors has caused a marked change in the composition of aggregate resource flows to developing countries.

In 1989, official grants and net loans accounted for 67 per cent of such flows and foreign direct investment for 35 per cent. The contribution of net private lending was negligible.

This represents a "major shift from the dominance of commercial bank lending in the late 1970s and early 1980s" and a return to the pattern of flows prevailing in the 1960s and early 1970s.

The Bank says experience with previous debt crises suggests there will be no early resumption of private lending. And while official flows and foreign direct investment can be expected to rise, they can play only a limited role in financing imports and investment in the longer term.

Developing countries will thus have to rely even more heavily on tough adjustment policies and on mobilising domestic savings.

Details, Page 4; Editorial Comment, Page 14

Brazil will 'partially lift' moratorium

By Christina Lamb in Rio de Janeiro and Stephen Fidler in London

BRAZIL will partially lift its 18-month debt moratorium, Ms Zelia Cardoso de Mello, finance minister, announced on Monday night.

The move, an apparent change of strategy, reflects Brazil's desperation to end its isolation from the international financial community, which has resulted in slashed credit lines for trade and interbank financing and delays in obtaining loans from the World Bank.

For the first three months of next year, the Brazilian government will pay 30 per cent of the interest on the $63bn owed to commercial banks. Ms Cardoso described the $489m in payments to be made in the first quarter as "a goodwill gesture to show that we are interested in negotiating".

The decision to resume partial interest payments was conveyed to the advisory committee of creditor banks in New York late on Monday by Mr Jorio Dauster, Brazil's chief debt negotiator. But there was no change in the basic proposal to convert debt into long-term bonds, which the committee has already discounted as "a non-starter".

Bankers responded negatively to the new stance.

Mr William Rhodes, Citicorp's senior executive and chairman of the advisory committee, said: "While we welcome the intention to resume partial payments, banks are disappointed that the government of Brazil still refuses to deal with the interest arrears. A wide gap remains between the bank advisory committee and the government."

Jorio Dauster: conveyed message to creditor banks

Zelia Cardoso: described payments as goodwill turn

Brazil's interest arrears to commercial banks total $8.3bn. Banks want some reduction in this before talks on a broad debt restructuring advance.

Bankers said that, according to the proposal, only small payments would be made in January and February, leaving 85 per cent of the $489m to be paid by the end of March.

They said Brazil's controversial position – that it would not deal with arrears ahead of a broad agreement and that it would not make payments in 1990 – was unaltered by the proposal.

Mr Marcus Caramuro, spokesman for the Brazilian Economy Ministry, said yesterday: "This is not a change in tactics but simply an advance in negotiations to which we hope the banks will respond."

He likened the proposal to the situation in Argentina, which is making partial interest payments in advance of a final agreement and is receiving finances from the International Monetary Fund and Paris Club.

Brazil signed a letter of intent with the IMF in September for a $2bn standby facility but this was never approved by the board because of lack of progress on the debt negotiations. It is now regarded as a "dead letter" because of the country's failure to meet targets. But Brazil is anxious for a new agreement to be reached rapidly to ease its passage through the current economic crisis.

However, the Brazilian government's negotiating position has been hampered by a Senate resolution, passed on Monday night, which prevents any payment being made on arrears without the legislature's approval, a move ironically initiated by the government to secure national consensus.

Nato warns Soviets on conventional pact

By Robert Mauthner, Diplomatic Correspondent, in Brussels

NATO ministers yesterday warned the Soviet Union that the submission by Moscow of incorrect data on its military forces and equipment in Europe could delay ratification of last month's agreement on conventional forces cuts in Europe.

"We will seek full implementation by all parties of the CFE treaty and, in particular, the timely resolution by the Soviet Union of serious problems relating to data and treaty interpretation," a communiqué issued after a two-day Nato Council meeting here said.

This was "an essential condition" for early ratification of the treaty.

The Nato ministers had agreed that new global security risks facing the Alliance, such as the Gulf crisis, might require joint action even if such threats came from outside the Nato area.

They delayed an expected decision on a mandate for new US-Soviet negotiations on the reduction of short-range nuclear weapons in Europe. This was in spite of an earlier undertaking that such talks would open shortly after the conclusion of the conventional forces agreement, signed in Paris last month.

Mr Manfred Wörner, the Nato secretary-general, said it would take another six months to work out such a mandate and, probably, up to another year before negotiations between the US and the Soviet Union would start.

On the controversial issue of an "out of area" role for Nato, France strongly disagreed with such an extension of its activities, but the final communiqué issued after a two-day meeting of the Nato Council specifically referred to such a possibility.

The proliferation of weapons of mass destruction had implications for the allies' security, the communiqué said. This appeared to be a direct reference to the development by Iraq of nuclear and chemical weapons.

Ministers said they would consult closely onproblems which posed "a threat to our common interests".

On Soviet military strength, US officials have complained that the Soviet Union had declared some 20,000 items of military equipment fewer than were supposed to be covered by the CFE treaty.

Mr James Baker, the US secretary of state, said yesterday that the US was particularly concerned about the non-declaration of infantry units assigned to the Soviet Navy. Moscow does not consider that these fall under the treaty because it does not cover naval forces.

The Soviet Union has promised to look into these alleged discrepancies and report back to the US, Mr Baker said.

"I think the Soviets themselves acknowledge that, if such discrepancies exist, it would be serious."

Mr Baker said that the US complaints did not directly concern military equipment withdrawn by the Soviet Union from Europe to east of the Urals instead of being destroyed. Though this was a political problem, it did not legally break the CFE treaty, he said.

France and the US disagreed over how far Nato should develop its diplomatic dialogue with the Soviet Union and other states of central and eastern Europe. During a sharp exchange yesterday, Mr Roland Dumas, French foreign minister, told Mr Baker, it was up to individual member states to develop such a relationship.

Mr Baker said that the need for Nato to direct its attention to "a wider arc" of security challenges was discussed in the context of Nato's current strategy review due to be completed by next spring.

Soviet Union left without a proper budget for 1991

Continued from Page 1

Russia, the country's largest republic is unhappy both with the amounts sought by the centre and the taxation to levy the money. Other republics are following the example set by Russia.

Estonia, the smallest Soviet republic, says, for example, that it will give the centre no more than Rbs100m, compared to the Rbs600m which is expected of it.

Clearly the republics' ability to control taxation revenue will be a key element in their battle with Moscow. The major source of taxation comes from Soviet enterprises, which pay a turnover tax and which will also be charged a unified rate of 45 per cent of their profits from January.

In the past, central ministries simply helped themselves to varying amounts of enterprises' profits, but the new corporate tax provides for 22 per cent of enterprise profits to go to the central government, with another 23 per cent destined for republican budgets.

A third source of taxation is income tax, but most of this goes to local authorities, with the rest to central and republican governments.

A Russian government source said that Russia wanted both a lower rate of taxation for its enterprises plus reduced central government spending.

While a spokesman said the Soviet government could still control tax revenue because enterprises paid their taxes into centrally controlled banks, Russia has already declared sovereignty over banks on its territory.

At the other end of the scale, Estonia is setting up a parallel banking system of its own, which means that it now has two central banks, one loyal to Moscow and the other favouring Estonian independence.

EC postpones meeting with Iraqi foreign minister

Continued from Page 1

Baghdad expressed disappointment that the EC had not shown "a more independent policy, away from US pressure, vis-à-vis the Middle East's various issues."

A Foreign Ministry official said: "It is in the interests of a unified Europe to deal with an independent Arab decision rather than giving in to American hegemony over the countries of the region."

The conciliatory tone of Iraq's response appeared to be aimed at keeping Iraq's lines open to the EC in the hope that some sort of EC initiative might arise as an alternative to the US approach.

Yesterday, Turkish television quoted Iraqi president Saddam Hussein as ruling out peace talks with the US if Washington's aim was simply to reiterate UN resolutions rejected by Baghdad.

"Any Iraqi concession on Kuwait is out of the question before the Palestinian problem is solved," Mr Saddam said in his Turkish television interview, which was conducted on Friday.

"We do not go to the US to get directives from them," he said. "If Bush is to repeat the UN resolutions to us, then there's no point in our going there."

Iraq, meanwhile, told a senior Soviet envoy that all Soviet technicians were free to leave the country even if their contracts had not run out.

Baghdad radio quoted Mr Hussein Kamel, the minister of industry and military industrialisation who is also acting oil minister, as telling Mr Vladimir Mordvinov, the Soviet Foreign Trade Ministry's first undersecretary: "Iraq allows Soviet experts working in the country to leave as they wish irrespective of the date of termination of their contracts."

OECD says Japanese growth will dip to 4.1% next year

By Stefan Wagstyl in Tokyo

ECONOMIC growth in Japan will slow next year from a likely annual rate of 6.3 per cent in 1990 to 4.1 per cent, according to the Organisation for Economic Co-operation and Development.

However, in its annual review of Japan, published today, the organisation is more positive than some recent studies by private sector economists in Tokyo which have forecast a sharper decline in economic growth. Continuing growth in spending by Japanese consumers will generate increases in output and in employment, the OECD says.

On the prescriptive side, the report urges that Japan should continue its efforts to create a more open economy by further deregulation, particularly in agriculture and in the land market.

The OECD is less concerned than some analysts about the impact of this year's stock market plunge on the Japanese economy. The fall to some extent "helped curtail excess domestic demand which had been partly stimulated by the low cost of equity financing".

However, the OECD shares the Japanese monetary authorities' concern about inflation. Labour shortages are pushing up costs, says the report, boosting the annual rate of increase in consumer prices from 2.3 per cent in 1989 to a likely 3 per cent this year and 3.3 per cent in 1991. Rapid growth in the money supply, accelerated by deregulation, strong demand, high capacity use and tight labour markets have "created an environment prone to future inflation".

An increase in oil prices caused by the Gulf crisis has aggravated the situation. "Care should be taken to signal to the private sector by whatever means necessary that the oil price increase will not be allowed to trigger a wage-price spiral," says the OECD.

Business investment is slowing from very high levels achieved in 1989, with the rate of increase likely to fall from 10.6 per cent this year to 4.6 per cent in 1991. Companies are expected to switch from boosting capacity to investments in product development.

The OECD urges Japan to take advantage of economic slowdowns in the next 10 years to boost public investment.

The report approves of the Japanese government's plan to make a priority of investments in improving living standards.

As for economic relations with other countries, the OECD expects the speed of the the decline in the external surplus to slow sharply despite the rise in oil prices.

The current account surplus next year could be $38bn, against a likely $43bn for 1990 and $57.2bn in 1989. Boosted by a halt in the rise of the yen, exports will grow sharply.

The increase in oil prices which has followed following the Gulf crisis should is expected to have less effect than the oil shocks of the 1970s.

OECD Economic Surveys: Japan. OECD, 2, rue Andre-Pascal, 75775 Paris, France.

Fresh attacks on Gorbachev

Continued from Page 1

Mr Rafik Nishanov, one of his closest advisers on the issue, said later that "each Soviet citizen must say whether he is in favour, or against, a union of federal states". Details of the treaty would be worked out by a commission of all the republics willing to participate.

He insisted that if a republic voted to leave it would have to follow the lengthy secession process laid down in Soviet law this year. That provides for a transition period of up to five years, and talks on compensation both for the Soviet state, and individuals wishing to leave.

Mr Gorbachev intends to make secession an extraordinarily difficult for any republic but he is taking a big gamble in calling a referendum, with republics like Georgia and Lithuania dominated by secessionist sentiment. In Estonia and Latvia, with large Russian minorities, a clear result might be in doubt.

THE LEX COLUMN

A clearer view for the Fed

Yesterday's confirmation of a mild downtrend in US inflation will have come at an opportune time for the last meeting this year of the FOMC to set US monetary policy. The November data on rising unemployment and falling industrial output already presented the case for further easing. If the Fed can now convince itself that inflation is no longer a pressing concern, the way should be clear to the first cut in the US discount rate since the summer of 1986.

One thing which might cast doubt on this would be a further sharp fall in the dollar. But it is a sign of how times have changed that yesterday's other big US statistic, a sharp jump in the October trade deficit to $11.6bn, should have left the foreign exchange markets unmoved. Just three years ago a record $17.6bn figure knocked more than 3 per cent off the dollar by the turn of the year. This time, the markets appear to see the figure as an aberration, representing goods ordered before the scale of the recession was apparent.

Even if the dollar declines modestly from here, it seems unlikely that the Fed will worry much about inflationary implications. Its first priority now appears to be not sound money but the health of the banking system.

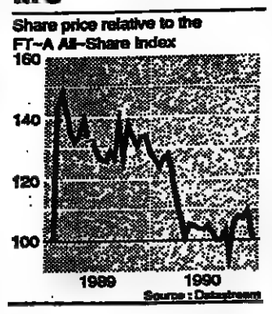
As for the US government, a weak dollar doubtless has positive attractions. The UK may be obliged by ERM membership to take recession on the chin. But for the US a spot of depreciation offers the opportunity, if not to export recession, at least to import the growth of others.

NFC

The picture of deepening UK recession is still complicated by the apparent ability of some companies in recession-prone sectors like transport to defy the odds. Hence the 6 per cent jump in NFC's share price yesterday in response to news of a healthy rise in profits for the year.

But if the company's gloomy trading statement, particularly regarding the US, had been given more weight than the headline annual results, the shares might have gone lower.

At odds with the 11 per cent rise in earnings per share and the persuasive rise in the dividend was an abundance of caution in the small print. This suggests that although NFC has to date succeeded in avoiding the economic downturn much better than rivals across the transport and property sectors, its toughest test is to come.



The results have been held back by lower profits from the transport division, but also by an accelerated charge against computer software costs and a doubling of redundancy costs to £8m. The travel agency business continued to lose money, if at a reduced rate. The increased contribution from property is impressive, but the shortage of commercial tenants means this area will struggle this year; the company will do well to make up in its other divisions what could be a shortfall of £10m-£15m.

On the other hand, NFC can point to conservative accounting policies and reduced overall gearing of 24 per cent despite increased acquisition activity and the buying in of shares in related companies. It also has exposure to the trendy waste management business, and lacks property-related borrowings. But at best profits this year should be unchanged, which is why the shares are on a prospective p/e of only 9 and a historic yield of over 6 per cent.

Christies Int'l

Christies' shares stormed up in 1989 and the first half of 1990 on the strength of the art market and Mr Michael Ashcroft's bold but maladroit stake building. They have since stormed down again, thanks to the Gulf crisis and the deepening recession in the art market. Yesterday's poor sales figures for the autumn auction season suggest the great bull run in the shares in the late 1980s was a mistake from the outset.

Until about 1986, the Christies share price performance seems to have been a very British story: respectable but not exciting. Perhaps it should have stayed that way. The company's virtues – the brand name, the near duopoly with Sotheby's, the very strong cash flow and the conservatively-valued real estate in St James's – have never been in doubt. Given what happened to Sotheby's in the early 1980s, there has always been the possibility of a takeover bid crystallising one day. But it needed more than that to justify the huge lift-off the shares enjoyed between 1988 and midsummer 1990.

A boom in buying by a new international class of collectors, mainly interested only in post-1875 art, was surely not the kind of phenomenon which could have lasted for long. Old Master and jewellery sales are still doing well, which is a sign that Christies has a resilient hard-core business which can survive a mini-crisis like its decision to shed 146 staff. But at 7 per cent, the running yield on the shares may not yet reflect the sluggish trading which could be ahead in 1991.

Water companies

Now that all the water companies have delivered their interim results, it is pertinent to ask whether the market's attitude to the sector has been too complacent. There were no nasties in the assorted figures, but the dividend increases may have helped to move the sector's rating to an unjustifiably high level. The package has outperformed the FT-Actuaries All-Share Index by 50 per cent since flotation and a further 4 per cent since Thames started the reporting round in late October.

The trouble is that the dividend rises have owed more to jockeying by the rival companies than to any fundamental performance. Anglian defied the trend without its share price suffering, but most other companies were keenly fighting a possibly ill-advised dividend war.

What should concern investors is the possibility that the short-term benefits of higher than expected dividend increases will be undermined by the regulator's determination to distribute any undue rewards to consumers. The full review of the pricing formula due in 1995 might well be preceded by ad hoc interventions by the regulator to enforce clawbacks in profits. Investors need to ask themselves what level of returns the regulator will be prepared to allow. Given that dividend pay-outs are subsiding across the market as a whole, it seems plausible to argue that the water sector should be preparing to exercise more restraint.

WORLDWIDE WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	12	54	Berlin	C	-1	30	Caracas	C	27	81	Faro	C	15	59	Islamabad	C	16	61	Madeira	C	16	61	Milan	F	3	37	Nicosia	S	20	68	Salzburg	[illegible]	-4	25	Tenerife	F	19	66
Algiers	–	–	–	Biarritz	S	6	43	Casablanca	C	15	59	Florence	S	8	46	Istanbul	F	12	54	Madrid	S	8	46	Montreal	R	1	34	Oporto	C	6	43	San Francisco	S	6	43	Tokyo	S	[illegible]	[illegible]
Amsterdam	C	0	32	Bombay	F	27	81	Dublin	C	1	34	Frankfurt	Sn	0	32	Jakarta	R	32	90	Majorca	F	12	54	Moscow	F	-7	19	Oslo	C	2	36	Seoul	S	2	36	Toronto	C	4	39
Athens	C	16	61	Bordeaux	C	2	36	Cologne	Sn	0	32	Geneva	C	0	32	Jersey	C	3	37	Malaga	F	17	63	Munich	F	-4	25	Paris	C	1	34	Singapore	T	31	88	Tunis	S	14	57
Bahrain	–	–	–	Boulogne	C	1	34	Copenhagen	C	0	32	Gibraltar	C	14	57	Johannesburg	S	24	75	Malta	S	[illegible]	[illegible]	Nairobi	C	24	75	Peking	S	6	43	Stockholm	Sn	0	32	Valencia	C	[illegible]	48
Bangkok	F	33	91	Brussels	C	-1	30	Corfu	F	12	54	Glasgow	C	3	37	Lima	F	23	73	Manchester	C	1	34	Naples	C	11	52	Prague	C	-1	30	Strasbourg	C	1	34	Venice	F	5	41
Barcelona	F	8	46	Budapest	Sn	1	34	Dallas	F	[illegible]	[illegible]	Helsinki	–	–	–	Lisbon	[illegible]	10	[illegible]	Manila	F	32	90	Nassau	F	26	79	Reykjavik	Sn	-3	27	Sydney	S	37	99	Vienna	Sn	0	32
Beirut	–	–	–	Buenos Aires	R	24	75	Dublin	C	3	37	Hong Kong	S	22	72	London	Sn	1	34	Melbourne	F	[illegible]	[illegible]	New Delhi	–	–	–	Rhodes	S	17	63	Taipei	C	25	77	Warsaw	C	-1	30
Belfast	C	3	37	Cairo	S	21	70	Dubrovnik	F	9	48	Innsbruck	S	-2	28	Los Angeles	S	8	46	Mexico City	F	26	79	New York	[illegible]	7	45	Rio de Janeiro	F	22	72	Tangier	F	16	61	Washington	C	8	46
Belgrade	Sn	2	36	Cape Town	C	17	63	Edinburgh	C	2	36	Inverness	S	4	39	Luxembourg	C	-2	28	Miami	S	21	70	Nice	F	8	46	Rome	F	8	46	Tel Aviv	S	19	66	Zurich	F	-3	27

Temperatures at midday yesterday C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

FINANCIAL TIMES
COMPANIES & MARKETS
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INSIDE

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Porsche	731	+	13
Falls			
Aachener Mn	685	–	25
Heidelberger	1070	–	70
Kali & Salz	148.5	–	8.5
Metallgesell	440	–	8
Schneider	305	–	9.8
NEW YORK ($)			
Rises			
Am Airlines	49½	+	⅞
AT&T	31⅞	+	¾
Citicorp	14⅜	+	¾
Manu Hanover	20⅞	+	1⅜
Falls			
Amer Express	21⅝	–	½
NCR	87¼	–	½
PARIS (FFr)			
Falls			
BNP(certificate)	226.2	–	13.8
Bongrain	2300	–	60
Chargeurs	652	–	35
Eurocom	660	–	25
GTM Entrepose	318	–	24
Sinco	505	–	18
TOKYO (Yen)			
Rises			
Mitsui Co	806	+	21
S'tomo Metal	471	+	8
Tokyo Elec Pwr	3780	+	80
Falls			
Ikeda	623	–	38
Nomen	509	–	36
M'tsui Shipbldg	565	–	5
LONDON(Pence)			
Rises			
AtlanticSec.	29	+	5
Birm'ham Mint	94	+	9
Courtney Pope	33	+	3
Devenish (JA)	144	+	10
ERF	153	+	30
Gold Greenlees	58	+	7
Honeysuckle	23	+	4
Mosaic Inva	270	+	15
NFC	124	+	8
Sturge	244	+	15
Wessex Water	256	+	5
Falls			
Anglo	134	–	11
CH Inds	16	–	7
Gieco	854	–	11
Midland Bank	198	–	11
Shandwick	63	–	10
Sotheby's	536	–	50
Wickes	99	–	7

Continental forced to call EGM over Pirelli deal

By Andrew Fisher in Frankfurt

CONTINENTAL, the German tyre company, has been forced to call an extraordinary general meeting for early next year at the request of a group of small shareholders to try to clarify the situation arising from the disputed merger proposal presented by Pirelli of Italy.

The German company's move was prompted by the call from Mr Alberto Vicari, a Wiesbaden-based shareholder, for an EGM to be held so that shareholders could have a chance to make up their own minds whether Continental should remain independent or not. The meeting will take place by mid-March at the latest.

Continental, headed by chief executive Horst Urban, has rejected the financial terms of the Pirelli proposal, though it has said it remains willing to talk. Pirelli, which said it had nothing to do with Mr Vicari's action, has made clear that the figures in the document accompanying its proposal were meant more as a basis for discussion than as definite terms.

Mr Vicari, a German citizen who represents 5 per cent of the Continental shares held by himself and others, announced last week that he wanted an EGM. He said two alternative motions should be proposed: either that the company remain independent and thus strengthen its statutes accordingly; or that the way should be opened for a merger and that the 5 per cent voting restriction be removed.

Mr Vicari said he was firmly opposed to the terms of the Pirelli proposal, as it was understood to date – the Italian company has not spelt out the details of its merger concept publicly – and suggested instead a merger which would not mean Continental increasing its debt.

Pirelli has proposed that Continental buy its tyre assets as part of a merger. Mr Vicari said the best way would be for Pirelli to exchange its tyre business for Continental shares. In fact, Pirelli decided against this as it could lead to legal delays.

● **Pirelli Priorità Diversificati**, a diversified holding company within the Pirelli group, said yesterday it had acquired a controlling stake in the K-Way group, a French sportswear manufacturer, through STL Superga. Financial details of the acquisition were not disclosed, AP-DJ reports.

The K-Way group, best known for its lines of winter and outdoors clothing, also includes Eider, maker of the High-Tech Actionwear line of outdoors clothes.

K-Way will also be an official supplier to the 1992 Winter Olympics in Albertville.

VW pays Pta20bn for remaining SEAT stake

By Kevin Done in London

VOLKSWAGEN of Germany, the leading European car producer, yesterday completed the acquisition of a 99.98 per cent stake in SEAT, the formerly state-owned Spanish car maker.

VW bought a 75 per cent stake in SEAT from Instituto Nacional de Industria (INI), the Spanish state holding company, in two stages in 1986 for Pta60bn ($631m).

After injecting $207m in fresh equity capital at the end of 1988, Volkswagen increased its stake to 78 per cent. Yesterday it acquired 19.98m shares at Pta1,000 per share or a total of Pta19.98bn bringing its stake to 99.98 per cent. The remaining shares are owned by private shareholders.

The total purchase price for SEAT amounts to almost Pta80bn.

VW's first contract with SEAT was in 1982 in the form of a limited seven-year production licencing agreement for the small volume assembly of certain VW models – notably the Polo – at SEAT's Pamplona plant.

SEAT has since become an integral part of the VW group. It has been returned to profitability, and it is now in the midst of an ambitious Pta670bn 10-year investment programme.

Picture of profit: John Constable's Flatford Lock and Mill hits a price of £2.4m in the days of the art market boom

Gavel falls on Christies jobs

Clare Pearson reports on cost-cutting at the international auction house

Christies International, the auction house, yesterday announced its first big cuts in staffing since the dark days of recession in 1974. This came hard on the heels of similar news last week from its arch rival, Sotheby's.

Christies said it was cutting 146 jobs worldwide, including 60 in the UK, to reduce staff costs by about £4m ($7.7m) or 10 per cent. The jobs range from security staff and clerks to valuers.

David Tyler, finance director, yesterday stressed Christies was not abandoning any areas of expertise though it would seek to merge departments where it could. "But where we, say, had three experts in a particular area, now we will have two," he said.

The cost-cutting does not stop at the lower ranks. Senior managers and main board directors are also accepting a base salary freeze. Together with much lower profits to share between them, the freeze could substantially reduce the emoluments of the board which last year awarded £190,000 to the highest-paid director.

But a cut of some £4m is not going to make much of a dent on costs of sales which during the first half rose to more than £60m (£57m), as Christies geared up for further rapid growth in the market. That compared with turnover of £105.19m ($90.11m).

At the interim stage, these costs can be divided as follows: £45.88m for auction and print, comprising principally salaries, catalogues and advertising; and £23.82m ($20.77m) for items such as administrative staff, rents and rates.

Mr Tyler says that because so many of these costs are variable, there is a lot of scope for further reductions. Insurance costs, for instance, vary with the estimated value of sales, catalogues can be produced on a less lavish scale, and so on.

He declined to put a precise figure on the total reduction in costs he envisaged, but indicated it was about 10 per cent.

Analysts expect that cut in costs to be enough to keep the company in profit throughout 1991, on the basis that there will be no improvement in sales.

However, forecast pre-tax profits of £10m to £20m will seem light years away from 1989's £88.94m (£42.48m).

Unlike Sotheby's, which has announced the closure of several smaller offices, Christies has no such retrenchment plans. It is financially stronger, with no debt in its balance sheet. That should also mean that it will not be driven to much greater staff-cutting measures – a move which would risk undermining the reputation that makes up so much of its value.

In theory, then, Christies can batten down the hatches and wait until the next stage of the cycle.

However, since the company's profits vary immediately with sales levels, it is at least an uneasy situation for shareholders contemplating a possible further deterioration in the art market in 1991.

Perhaps none will be more nervous than ADT. The electronic security and auction group owns more than 20 per cent of the shares and was still increasing its stake this year before the shares hit a high above 400p. Yesterday the shares closed 8p down at 159p.

Lex, Page 16

CHRISTIE'S worldwide sales for the autumn season totalled $334m ($648m), a fall of 50 per cent on the record $675m in the same months of 1989.

The slowdown in the art market in the past three months is concentrated in a few sectors. Impressionist and Modern art produce 40 per cent of Christie's turnover, and a higher proportion of its profits. In the autumn of 1989, this sector brought in $300m in sales; in the last three months, $85m.

The Japanese bought less this autumn and American buyers scarcely featured at the leading sales. Despite Christie's advice, many sellers insisted on high reserve prices and there was a sharp rise in unsold lots. In the main London sale of Impressionist and Modern art in early December, which totalled $10.3m, only 24 of the 63 lots were sold. The corresponding auction of 1989 brought in $76.5m.

Contemporary art did almost as badly, and there were disastrous auctions of Scandinavian and Belgian paintings. Demand held up quite well in Old Master pictures, furniture, and silver. Christie's has other consolations: turnover was still at the level of 1987-88, and results from rival Sotheby's will be equally depressing later this week.

Antony Thorncroft

Leisure investments of up to £160m led to Polly collapse

By Richard Waters in London

TENS OF millions of pounds of Polly Peck International's money was paid out during the summer as up-front payments for proposed leisure developments on which work has not yet started, it has emerged.

The greenfield developments, in northern Cyprus and Turkey, form a substantial part of recent Polly Peck property investments which administrators put at over £100m, and which could be as high as £160m. The investments led directly to the group's cash crisis and eventual collapse in the ensuing weeks.

Polly Peck invested the money some time between the beginning of July and the end of September, by which time the company's liquidity position was under considerable strain.

The investments were made later than the suspicious payments which formed the basis of the 14 theft charges brought against Mr Asil Nadir, Polly Peck's chairman and chief executive, at the weekend.

During the three summer months, the group's cash balances in northern Cyprus were run down by £160m. Most, if not all, of this was used to fund the leisure developments comprising proposed hotels, a holiday village, and other developments.

On October 3, Polly Peck announced it was halting payments to its bankers due to liquidity problems. Three weeks later it went into administration – after Mr Nadir, failed to come up with the £70m in cash which bankers had demanded to keep the group afloat.

The greenfield investments have come to light only in recent days, following the breakthrough made by one of the administrators – Mr Richard Stone of Coopers & Lybrand – in gaining access to Polly Peck's subsidiaries in northern Cyprus. An injunction on the island had earlier barred access to the companies, making it impossible to trace around £200m of Polly Peck cash in the area.

Mr Stone is understood to have passed information about the property investments to Mr Christopher Morris, another of the administrators, who was appointed by the court to investigate the possibility of claims against Mr Nadir and his fellow directors, as well as Polly Peck's auditors and advisers.

Mr Morris is believed to have been investigating whether any of Mr Nadir's actions may have contributed to the company going into administration.

Meanwhile, relations between the administrators and the northern Cypriot government appeared yesterday to be thawing. Mr Stone said he had received contact from a high level in the island's government indicating a willingness to co-operate with the administration – in marked contrast to earlier warnings from Cypriot officials that Polly Peck's assets would be nationalised.

Murray Pezim is barred from trading on Vancouver exchange

By Bernard Simon in Toronto

MR MURRAY PEZIM, the colourful Canadian mining promoter whose name is virtually synonymous with the Vancouver stock exchange, has been barred from trading on the VSE for a year.

The British Columbia Securities Commission imposed the ban on Mr Pezim and two other mining executives for allowing two companies under their control, Prime Resources and Calpine Resources, to contravene disclosure requirements and mislead the VSE on a number of occasions last year.

Prime and Calpine were the most heavily traded stocks on the VSE in 1989 thanks to their involvement in the discovery of gold on the Eskay Creek property in northern British Columbia.

The charges against Mr Pezim and his two colleagues, Mr John Ivany and Mr Lawrence Page, include allegations that Prime and Calpine failed to make timely disclosure of drilling results at Eskay Creek, and that the three men re-priced their share options in the two companies during the drilling programme.

The commission said: "it is damaging to public confidence and prejudicial to the public interest when such significant market participants contravene basic and fundamental rules."

The three were also ordered to pay two-thirds of the costs incurred by the commission and the superintendent of brokers in probing the case. The one-year trading ban takes effect on January 1.

Mr Pezim, 69, is credited with spearheading the financing and development of the rich Hemlo gold field in north-west Ontario in the early 1980s.

NFC boosts pre-tax profits 8% to £97.7m

By David Owen in London

LOWER interest costs and a reduced contribution to its employee profit-sharing scheme enabled NFC, the former National Freight Consortium, to report an 8 per cent improvement to £97.7m ($185.6m) in annual pre-tax profits.

This was marginally higher than the directors' "best view" projection of £97m and was achieved in spite of a change in depreciation policy and doubled redundancy costs.

Turnover for the 53 weeks to October 6 was ahead 9 per cent at £1.63bn, compared with £1.49bn in the year to September 30 1989. Taxable profits in the year-earlier period were £90.2m.

Operating profits were down 5 per cent at £108.7m, with the transport division, which contributed only £27.3m (£37.2m), the principal source of weakness.

Logistics, property and home services each contributed slightly more than a year-earlier at £31.5m, £26.8m and £25.5m respectively.

Earnings per share advanced 11 per cent to 13.6p (12.2p). A final dividend of 1.6p was recommended, making a total of 5.65p - up 14 per cent.

Lex, Page 17

Yorkshire TV may make bid

YORKSHIRE Television may bid for its neighbour, Tyne Tees Television, in next year's competitive tenders for commercial television licences, if government rules are confirmed, writes Raymond Snoddy in London.

The British government has made clear that the nine largest ITV companies, including Yorkshire, will not be able to control each other. Tyne Tees has been placed in the group of smaller companies that can be controlled, and the government is likely to allow bids from neighbouring companies. Another option would be for Yorkshire and Tyne Tees to agree to merge.

Echo Bay writes off $39m as gold producers struggle

By Bernard Simon in Toronto

A GROWING number of North American gold producers are running into trouble on mining projects which are unable to pay their way at prevailing bullion prices.

Echo Bay Mines of Edmonton said yesterday that it is writing off US$39.7m of its investment in the Robinson gold mine in Nevada and other properties in the Alta Bay joint venture, in which it has a 40 per cent equity interest.

Echo Bay has exchanged its interest in the Robinson lease for a royalty on future production at the mine plus US$2m in cash from its joint venture partner, Alta Gold of Salt Lake City.

The Robinson mine, which produced 78,800 ounces of gold last year, has been running at a loss for nearly two years. Its cash production costs were US$330/oz in the first nine months of this year, plus US$39/oz in royalties paid to the US mining group Kennecott, which holds a lease on the property. Output at the entire Alta Bay project, which includes four other smaller properties, has fallen well short of production targets.

The Robinson mine is one of many new North American producers whose success was predicated between 1986 and 1988 on a prevailing bullion price above $400/oz and expectations among gold mining optimists that it would move even higher. With the price now hovering at about $380, several companies are finding that both their management and financial resources have been over-extended.

The owners of the new Colomac mine in the Northwest Territories wrote off US$149.5m of their investment last month as a result of lower-than-expected ore grades and bullion prices, as well as the strong Canadian dollar. Earlier this week, North American Metals of Vancouver announced a C$24m writedown of its half-share in the Golden Bear mine in north-west British Columbia, which began operations last January.

Corona of Toronto earlier this year wrote off the entire C$161m value of its Nickel Plate gold mine in British Columbia.

Mr John Lydall, mining analyst at First Marathon Securities in Toronto, said that "a number of these operations assigned ore reserves at higher gold prices. With lower prices, mining engineers are finding out that the gold is not there in economically mineable form".

As a result, the share prices of Canadian gold producers have fallen sharply in recent months. Echo Bay, for example, was trading yesterday at C$9 on the Toronto stock exchange, down from a 1990 peak of C$24.88.

ABB to buy German energy unit

By Andrew Fisher in Frankfurt

ASEA Brown Boveri (ABB), the Swedish-Swiss engineering group, will today sign an agreement to buy Energiebau Dresden, an east German energy concern which employs 2,100 people.

ABB is one of the companies which showed early interest in investing in east Germany, singling out energy production, electricity supply, industrial automation, environmental technology, and transport as the sectors in which it was most interested.

Details of the Energiebau Dresden transaction will be announced at a joint press conference in east Berlin with the Treuhand, the agency in charge of privatising east German industry. The deal will be signed by ABB's large west German unit, based in Mannheim.

ABB said earlier this year it hoped eventually to achieve a turnover of some DM2bn ($1.3m)in the five new states formerly known as East Germany. It said it was planning to form joint operations with about 20 east German companies, including Bergmann-Borsig (power stations) and the Cottbus automation plant manufacturer.

ABB's proposed investment follows last week's confirmation that Opel, the German car subsidiary of General Motors of the US, was to invest DM1bn in an east German venture. Volkswagen has begun a DM5bn programme, while Mercedes-Benz plans a DM1bn truck plant.

Lloyds Bank to sell further SMH stake

By Katharine Campbell in Frankfurt

LLOYDS Bank of the UK is selling a further stake in Schröder Münchmeyer Hengst, its German investment banking subsidiary, cementing the Frankfurt institution's credentials as a private German bank by creating 19 new partners.

Rescued from near-collapse by Lloyds in the early 1980s, SMH has successfully regenerated its business, particularly on the merchant banking side. Two years ago, Lloyds sold just under 5 per cent of its 100 per cent holding to five liable partners to allow the bank to cultivate a private and specifically German banking ethos.

Mr Eberhard Weiershäuser, co-chairman of SMH, said the creation of the new partnerships, which together represent "under 5 per cent" of the bank's equity, was unique in the German financial world.

The partners, the youngest of whom is 37, and who, unlike the original five, do not bear personal liability, may in time be able to increase their share. New partners may also be added, after three years with the bank, but Lloyds has said it wishes to retain at least 75 per cent of SMH.

NEWS IN BRIEF

Agnelli parent net up 39% at halfway

ISTITUTO Finanziario Industriale (IFI), the financial holding company of the Agnelli family, reported a 39 per cent rise in first-half 1990-91 net profits to L205bn ($183m), against L147bn in the corresponding period last year, writes Haig Simonian.

Dividends from associated companies amounted to a net L168bn, while capital gains from the sale of activities and other interests were almost L80bn gross of tax. The book value of IFI's total investment portfolio in the period rose by a net L186bn to L1,078bn. Given the margin of over L2,500bn between book and market values, the current market value of IFI's quoted holdings now stands at well over L3,500bn.

■ Trading in shares of Amer, the diversified Finnish group, was suspended temporarily ahead of an announcement by Mr Heikki O. Salonen, chairman and chief executive, that he would resign the post from the end of February because of ill-health, Reuter reports.

The group said he would retain an advisory capacity and look after the group's international relations. Mr Raimo Taivalkoski will take over as chairman.

■ Aussedat Rey, the French paper company owned by International Paper of the US, said it would spend about FFr2bn ($400m) to double the capacity of its paper pulp factory in Saillat, central France, Reuter reports. The new unit will begin production in the second quarter of 1993.

■ Danisco, the Danish food and beverages, food ingredients and packaging group, reported profits before extraordinary items up by 15 per cent to DKr531m ($92.7m) in the half year ended October, writes Hilary Barnes.

After extraordinary income of DKr181m, mainly from the sale of the I. Krüger water purification company, pre-tax profits were ahead 82 per cent to DKr712m.

Astra drug on course to inject dose of optimism

Robert Taylor examines how the Swedish company is making impressive inroads into world markets

ASTRA, Sweden's biggest pharmaceutical company and one of the few bright lights on the gloomy Stockholm bourse this winter, is looking forward to further market breakthroughs in the sale of its successful anti-peptic ulcer drug, Losec, before the end of the year.

A decision is imminent from the US Food and Drug Administration to give the final go-ahead for its use in the initial treatment of duodenal as well as gastric ulcers in the all-important US market. This follows a recommendation for approval last May by an advisory committee of the FDA. The drug has been used for the treatment of acute ulcers in the US since September 1989.

The further breakthrough for Astra in the US seems likely to intensify its already fierce competitive battle with the British company Glaxo and its Zantac ulcer drug in a lucrative market. Yesterday, Astra's free B shares rose SKr6 to SKr494 while Glaxo shares fell 11p to £8.54.

This week, at a seminar for analysts in Malmo organised by Astra, it was suggested that Zantac's world sales were levelling off though it still remained far ahead of Losec in the markets where the drugs compete. Attacks on Losec's efficacy may continue sporadically, but Astra is increasingly confident it has a winner.

Next week, the company also confidently expects to win approval from the authorities in Japan for the marketing and sale of Losec to begin next spring. Astra is already prepared for its launch in that market. At the end of 1988, it acquired Hoei Pharmaceuticals in Japan through its partly-owned subsidiary Fujisawa-Astra as a means of increasing its marketing capacity ready for the launch of new drug products in the Japanese market.

But it is the impending US decision, seen now by Astra as a mere formality, that could help bring important changes in the company.

Mr Hakan Mogren, president, said the company was in the midst of "intensive negotiations" with Merck in the US on what their future relationship should be after the go-ahead is given to the wider application of Losec in the US.

Hakan Mogren: 'our ambitions are long-term'

Under the terms of a 1982 agreement between the two companies, Merck undertook to collaborate with Astra's Swedish research centres and help to register and market Astra products in the US.

According to the first stage of the agreement, Astra receives licensing income on sales but the deal also provides for forms of co-operation during the next stage which will be determined by the sales volume attained.

"The growth of Losec has been very fast, more than we expected a year ago," Mr Mogren admitted.

Since its launch in February 1988 in Sweden, Losec has made impressive inroads into world markets. It has secured regulatory approval in 48 countries and there have been more than 7m patient treatments with the drug. Growth has been particularly strong in Sweden, where it holds about 38 per cent of market share and in France, where penetration is now nearly a quarter.

Currently, Losec enjoys a 7 per cent share in the market and sales are increasing at a rate of 14 per cent a year, twice the rate of the overall gastrointestinal market and almost three times that of the total pharmaceutical market.

Astra has pursued a highly aggressive marketing offensive with Losec which reflects a clear shift in priorities inside the company. Mr Mogren said yesterday that it had increased its marketing costs by 35 per cent this year and would do so by the same amount in 1991.

"Our ambitions are long-term," he added. "Our products are vehicles in our marketing strategy in the build-up of the group. We used to be just a north European company, but we have the ambition now to become a truly international company. We have the chance to grow systematically and take the risk by doing so. We want to increase and develop in local markets where we are not yet strong enough."

Mr Mogren added that Astra is not looking for a mega-merger but talked of "restricted acquisitions to speed up sales in local markets."

At present Losec accounts for a fifth of Astra's sales and it is expected to increase its share in the next few years but Mr Mogren asserts: "We are not a one-drug company. We wish to specialise in different niches in the market."

Astra is keen to highlight its recent developments in both the cardiovascular and anti-asthma drug markets. The company has a high regard for Plendil, its cardiovascular drug which has already been launched in 20 countries. Its anti-asthma Bircanyl Turbuhaler and Pulmicort Turbuhaler, launched in Sweden in August 1987 and December 1988 respectively, have also both enjoyed rapid market growth in 24 countries.

Certainly the company looks in good shape for 1991. Over the first three quarters of this year profits before financial items climbed by 34 per cent to SKr1.84bn ($328m) from SKr1.37bn in the same period of 1989 while earnings per share after tax rose to SKr11.10 from SKr7.85, a growth of 41 per cent.

Mr Mogren is coy about next year's financial outlook but says with understatement: "It looks very promising."

London Stock Exchange, Page 31

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NESDAY DECEMBER 19 19

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1st January 1991
We are there.

When 1991 begins, we'll be in all continents. In more than 100 countries. Actually, we've been in many of these countries for so long, we're part of their history. But our name is relatively unknown.
This is despite the fact that we're the world's first industrial group for communication systems. An international leader in energy, transport and electrical engineering services. A group with sales of £14.4 billion, making us one the world's largest industrial groups. A group that daily improves the lives of millions of people throughout the world.
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Notice of redemption

To the Holders of the 9½% Series A Notes Due 1992 of General Electric Credit Corporation

(now known as General Electric Capital Corporation)

Notice is hereby given, pursuant to the provisions of Section 6 of the Fiscal and Paying Agency Agreement, dated as of December 18, 1985, between General Electric Credit Corporation (the «Company») (now known as General Electric Capital Corporation) and Union Bank of Switzerland, as Fiscal and Paying Agent, and paragraph 5(b) of the Terms and Conditions of the above-mentioned Notes (the «Notes»), that all of the Notes will be redeemed on January 18, 1991 (the «Redemption Date») at the price equal to 100% of their principal amount together with accrued interest to the date fixed for redemption (the «Redemption Price»). Interest on the Notes shall cease to accrue from and after the Redemption Date. On and after the Redemption Date, the sole right of the holders of the notes shall be to receive the Redemption Price.

Payment of the Redemption Price will be made upon presentation and surrender of the Notes, together (in the case of bearer Notes) with all appurtenant coupons maturing subsequent to December 18, 1990, at any of the paying agencies listed below. In the event any such unmatured coupons fail to be presented, the amount of the missing coupons will be deducted from the Redemption Price.

Union de Banques Suisses (Luxembourg) S. A.
36–38 Grand'Rue B. P. 134
L-2011 Luxembourg

Union Bank of Switzerland London Branch
122 Leadenhall Street
London EC3V 4QL England

Morgan Guaranty Trust Company of New York
35, Avenue des Arts
1040 Brussels, Belgium

The Chase Manhattan Bank, N. A.
One New York Plaza
New York, New York 10081
(Registered Notes Only)

Coupons which have matured prior to the Redemption Date should be detached, presented and surrendered for payment in the usual manner.

Payment on any Note made within the United States, including by transfer to a United States dollar account maintained by the payee with a bank in the City of New York, may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds (including accrued interest) if the payee fails to provide the paying agent with an executed IRS Form W-8 in the case of a non-U.S. person or an executed IRS Form W-9 in the case of a U.S. person. In general, no such backup withholding will be required in the case of presentation of bearer Notes for redemption with a paying agent outside of New York, New York, if payment is made outside the United States. Information reporting to the IRS will only be required with respect to payment on any Note or coupon which is made outside the United States if made to a U.S. person in certain circumstances. U.S. holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to an IRS penalty. Accordingly, please provide any appropriate certification when presenting the Notes or coupons for payment.

General Electric Credit Corporation
(now known as General Electric Capital Corporation)

By: **Union Bank of Switzerland**
as Fiscal and Paying Agent

Dated: December 19, 1990

Goldstar Co., Ltd.

(the "Company")

(a company incorporated with limited liability in the Republic of Korea)

Notice

to the holders of the

U.S. $30,000,000 1¾ per cent. Convertible Bonds Due 2002

of the Company

(the "Bondholders" and the "Bonds" respectively)

constituted by a Trust Deed dated 11th August, 1987 (the "Trust Deed") made between the Company and Bankers Trustee Company Limited (the "Trustee") as trustee for the Bondholders.

NOTICE IS HEREBY GIVEN to the Bondholders that:

(i) under the provisions of the Conditions of the Bonds and the Trust Deed, the Bondholders' rights of conversion of the Bonds (the "Conversion Rights") into fully-paid and non-assessable shares of common stock of the Company ("Common Stock") can be exercised on and after whichever is the later of 11th February, 1989 and the tenth day after notification by Merrill Lynch International & Co. ("Merrill Lynch") to Bondholders of its satisfaction that, inter alia, Common Stock may lawfully be purchased, held and transferred by non-residents of Korea without material restrictions or conditions. The present provisions of Korean law impose restrictions which do not permit Merrill Lynch to give the notice indicated above and accordingly the pre-condition for the exercise of the Conversion Rights is not satisfied at the present time;

(ii) the Company has requested the Trustee to concur in modifying the Conditions of the Bonds and the Trust Deed by deleting from the Conditions of the Bonds the pre-condition for the exercise of the Conversion Rights referred to above;

(iii) since, at the request of the Trustee, the Company has covenanted, subject to the condition described below, not to exercise any right it may have to redeem the Bonds pursuant to Condition 7(B) prior to 1st January, 1993 or, if earlier, the tenth day after the date on which Merrill Lynch would, in the absence of such modification, be entitled to give the notice indicated in (i) above and Merrill Lynch International Limited has expressed to the Trustee its opinion that, in the light of such covenant, such modification is in the best interests of the Bondholders as a whole, the Trustee has been able to concur in the proposed modification;

(iv) such covenant and modification are contained in the First Supplemental Trust Deed dated 14th December, 1990 (the "First Supplemental Trust Deed") made between the Company and the Trustee and are conditional only on the obtaining of the necessary Korean governmental and regulatory consents. The Company has covenanted in the First Supplemental Trust Deed to use its best endeavours to obtain such consents and further notice will be given to the Bondholders by the Company within 14 days of such consents being obtained; and

(v) copies of (a) the Trust Deed and the First Supplemental Trust Deed, (b) a letter dated 14th December, 1990 from Merrill Lynch International Limited to the Trustee expressing its opinion described in (iii) above, and (c) a letter dated 14th December, 1990 from Lee & Ko, lawyers, of Seoul, Korea to the Trustee describing the extent of the restrictions affecting shares held by non-residents of Korea and foreigners are available for inspection until further notice by Bondholders during normal business hours at the specified offices of the Paying Agents listed below.

PRINCIPAL PAYING AGENT
Bankers Trust Company, 1 Appold Street, Broadgate, London EC2A 2HE.

OTHER PAYING AGENTS
Banque Internationale à Luxembourg S.A., 69 Route d'Esch L-1470 Luxembourg.
Swiss Bank Corporation, 1 Aeschenvorstadt, CH-4002, Basle.

This notice is given by Goldstar Co., Ltd.

Dated 19th December, 1990

This advertisement is issued in compliance with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") and does not constitute an invitation to any person to subscribe for, or purchase, any securities.

Application has been made to the Council of The Stock Exchange for the Shares and Warrants in Deutschland Investment Corporation Inc. (the "Company") to be admitted to the Official List. Such admission to become effective and dealings in Shares and Warrants are expected to begin on 24th December, 1990. No application has been made for the Units to be admitted to the Official List.

DEUTSCHLAND INVESTMENT CORPORATION INC.

(an exempted company incorporated with limited liability under the laws of the Cayman Islands with registered number 355768.)

Placing of 1,200,000 Units

at a price of DM80 per Unit payable in full on subscription. Each Unit will consist of five ordinary Shares issued at a price of DM16 each and one free Warrant attached entitling the holder to subscribe for one further Ordinary Share at a price of DM16 (subject to adjustment) at any time from 31st December, 1990 up to and including 29th December, 1995

Particulars relating to the Company are contained in the Companies Fiche Service of the Stock Exchange and in the prospectus dated 18th December, 1990, copies of which are available during the normal business hours until and including 7th January, 1991 from the Company Announcements Office of The Stock Exchange, 45-50 Finsbury Square, London, EC2A 1DD. (for collection only), and until and including 7th January, 1991 from:

ROBERT FLEMING & CO. LIMITED
25 Copthall Avenue London EC2R 7DR

19th December, 1990

INTERNATIONAL COMPANIES AND FINANCE

Argentina to sell 150 state companies

By John Barham in Buenos Aires

ARGENTINA is to sell off some 150 federally-owned companies next year, in a continuation of its aggressive privatisation policies.

Mr José Roberto Dromi, public works and services minister, said the privatisations should be completed by late next year. The government had already sold seven companies since it took office in July 1989, he said.

SEGBA, the Buenos Aires electricity company, will be the first company to be sold in 1991. A recent government report said SEGBA was in a "critical" state because investments had fallen by 51 per cent and losses were running at close to US$30m a month.

Other companies listed for sale include OSN, the water company; Gas del Estado, a gas distributor; ELMA, a shipping line; and the port authority.

Concessions to operate oilfields, coal mines, federal highways and three railway lines will also be auctioned. The national mint, the Buenos Aires underground railway and the national grain board are also to be sold.

Mr Dromi also announced that the government was working on plans to privatise the entire energy sector, including YPF, the oil company, and Yacyretá, a major hydroelectric dam still under construction.

The government plans numerous changes in the privatisation process. Critics say previous privatisations suffered from improvisation, a lack of transparency, and a poorly designed regulatory framework. Mr Dromi said the new system would be announced by the end of February after close consultations with industry and unions.

However, the minister said he had already decided that each share issue would be handled by a team rather than by a single official. He also said the government would ensure that the companies were better managed while they were prepared for sale.

The companies sold this year were sorely neglected in the run-up to their privatisation.

Mr Dromi promised that the government would improve contacts with creditor banks to ensure that the privatisations go ahead more smoothly. Creditor banks often have to give their approval for privatisations, since loan contracts do not allow the debtor companies to sell assets without prior approval.

● President Fernando Collor de Mello of Brazil has authorised Mr Ozires Silva, the minister of infrastructure, to extinguish or privatise Lloyd Brasiliero, the ailing state-owned maritime transportation company.

Mr Ozires Silva met yesterday with representatives from the maritime navigation sector to decide which option he would take. Central to his decision will be an evaluation of Lloyd's maritime routes. Lloyd has debts of $300m. Irate creditors have seized nine of the company's ships in port.

Hongkong Bank Canada advances 40%

By Angus Foster

HONGKONG Bank of Canada has bucked the trend of its parent and fellow subsidiaries by announcing profits up by nearly 40 per cent for the year ended October 1990.

The bank, a subsidiary of the troubled Hongkong Bank, reported profits of C$48.7m (US$42.3m) compared with C$34.8m last year. The bank said the results were due to an improved performance and a larger asset base.

Consolidated assets rose 67.2 per cent to C$10.2bn. The steep rise in assets was partly due to the takeover earlier this year of the former Lloyds Bank Canada. Following the acquisition, Hongkong Bank of Canada became the largest foreign bank in the country.

The result contrasted sharply with recent profit announcements by the bank and its subsidiaries. In August, the Hongkong Bank reported a 20 per cent drop in profits, the first such drop for 20 years, while its US and Australian subsidiaries have lost money this year.

Meanwhile, senior government officials in Hong Kong yesterday moved to play down the significance of Hongkong Bank's decision to shift the domicile of its ultimate holding company to London.

A&P earnings virtually flat

By Nikki Tait in New York

GREAT ATLANTIC & Pacific Tea, the big US supermarket chain, yesterday reported third-quarter after-tax profits of $32.05m, virtually flat against the comparable three months of 1989.

This compares with $31.2m in the corresponding period a year ago, and translates into a rise of 2 cents in earnings per share, to 84 cents. Profits for the first nine months have increased from $112.2m to $119.4m.

The company, which owns 20 per cent of the UK retailer Isosceles, and whose outlets range from the traditional A&P supermarkets to Food Emporium, Waldbaum's and Farmer Jack stores, conceded that sales had been "very sluggish". It blamed the general economic conditions.

Turnover rose from $2.55bn to $2.61bn during the 12-week period to December 1. However, both the sales and profit figures include six weeks' contribution from the 69 Miracle Food Mart stores, which A&P acquired in late October.

A&P said the cost of financing its Isosceles stake dented earnings by around 5 cents a share during the three-month period, although this factored into the 1989 figures as well, so comparisons are not affected.

Jim Woods: favours more managerial input at Isosceles

The board is currently discussing the long-awaited refinancing plan for Isosceles. Last summer, A&P was haggling for more management input at Isosceles. Mr Jim Woods, group chairman, indicated that if this did not happen his company would not contribute to any fresh capital injection.

● Carter Hawley Hale, the heavily-indebted Californian department store chain, reported a slightly larger net loss of $14.9m in the first quarter of its year to November 3.

The results were hit by a $35m charge for "realigning" operations, but benefit from a $30m gain on the sale of the Thalhimers subsidiary. Interest fell from $43m to $34.6m.

Dragonair expands in China

DRAGONAIR, the fledgling Hong Kong airline controlled by UK, Hong Kong and Chinese interests, is opening four more offices in China, writes Angus Foster in Hong Kong.

This is part of a plan for the airline to become a feeder carrier into China to serve Cathay Pacific's hub in Hong Kong.

In January, Cathay Pacific and China International Trust and Investment Corporation (CITIC), one of Peking's largest foreign investment companies, took control of the loss-making Dragonair.

The two airlines have since been co-operating, and Dragonair has taken over Cathay Pacific's China routes.

Macy to raise $119m with new shares

By Nikki Tait

R. H. Macy, the highly leveraged US department store group, said that its existing investors had agreed to subscribe for $119m of new preferred stock in its private equity offering.

This falls short of the $150m which Macy said it planned to raise last month.

However, the company added that it had also agreed in principle that an affiliate of Sir Run Run Shaw, a Hong Kong investor who does not currently have any interest in the US group, should subscribe for a further $25m of stock.

In addition, the investor's affiliates would be entitled to acquire a further $25m of shares at the same $31.81 price before March 31 next year.

Separately, a further $18.6m of series II preferred stock is being sold to a number of shopping centre developers.

Macy, which intends to use the money to repurchase its subordinated debt, declined to elaborate on which of its existing investors had been prepared to invest new money into the company.

● Bramalea, a large Toronto-based property developer, has written off C$115m (US$100m) from the value of its land holdings, giving it a loss of C$83.7m or 95 cents a share for the year ended October 31, writes Robert Gibbens in Montreal.

The company, which is controlled by the Peter and Edward Bronfman interests through Trizec, earned a peak $64.8m or 88 cents a share in fiscal 1989. Revenues were $972m in fiscal 1990, down 15 per cent.

Bramalea has a $6bn portfolio of property assets, including residential and commercial buildings, shopping centres, and a large land bank.

Operating profit in fiscal 1990 was $51.5m, down 21 per cent, because of depressed home sales in Toronto and southern California. Most of the write-down concerned property acquired in the Toronto area nearly two years ago for an estimated $1bn.

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:10 pm on December 18

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	100⅜	100⅞	-⅛	8.57
ALBERTA PROVINCE 9 3/8 95	600	102¼	102¾	+⅛	8.49
AUSTRIA 8 1/2 00	400	98¼	98¾	+⅛	8.78
BANK OF TOKYO 8 5/8 96	100	97½	98		8.97
BELGIUM 9 1/8 92	400	101⅛	101⅝		8.13
BFCE 7 3/4 97	150	95	95½		8.60
BNP 8 5/8 94	300	101	101½	+⅛	8.27
BP CAPITAL 9 5/8 95	150	102¾	103¼	+⅛	8.39
CANADA 9 96	1000	102¾	103¼		8.28
CANCO 9 1/4 96	650	98¾	99¼		9.44
CCCE 9 1/4 95	300	102¾	103¼		8.39
COUNCIL EUROPE 8 96	100	97½	98	+⅛	8.56
CREDIT FONCIER 9 1/2 99	300	103¾	104¼	+⅛	8.81
DENMARK 0 96	250	92⅜	92⅞		8.84
DENMARK 8 1/4 96	150	99¾	100¼	+⅛	8.31
ECSC 8 1/4 96	193	98½	99	+⅛	8.55
EEC 7 1/4 93	250	98¾	99¼		7.99
EIB 7 3/4 96	250	97	97½	+⅛	8.43
EIB 10 97	150	106¼	106¾		8.66
ELEC DE FRANCE 9 98	200	101½	102		[illegible]
EUROFIMA 9 1/4 96	100	102¾	103¼	+⅛	8.59
EXPORT DEV CORP 9 1/2 98	150	103⅝	104⅛		8.81
FINLAND 7 7/8 97	200	95½	96	+⅛	8.85
FINNISH EXPORT 9 3/8 95	200	103¼	103¾	+⅛	8.52
FORD MOTOR CREDIT 9 1/2 95	300	101¼	101¾	+⅛	8.96
GEN ELEC CAPITAL 9 3/8 96	300	102¼	102¾	+⅛	8.82
GMAC 9 1/8 96	200	99	99½	+⅛	9.36
HALIFAX 9 1/2 93	200	102¼	102¾	+⅛	8.48
IBM WORLD TRADE 7 5/8 93	150	97⅝	98⅛	+⅛	8.52
IND BK JAPAN FIN 7 7/8 97	200	94¼	94¾		8.98
INTER AMER DEV 7 5/8 96	200	95¼	95¾		8.64
ITALY 8 1/2 94	1500	100⅞	101	+⅛	8.25
JAPAN DEV BK 8 94	150	99¼	99¾	+⅛	8.25
KANSAI ELEC PWR 10 96	350	104¾	105¼		8.96
LTCB 8 5/8 93	150	100	100½		8.37
NEW ZEALAND 8 95	100	97½	98	+⅛	8.31
NIPPON CRED BK 9 3/4 93	150	102¾	103¼	+⅛	8.59
NIPPON TEL & TEL 9 3/8 95	200	103¼	103¾		8.59
NORDIC INV BANK 9 93	200	101¾	102¼	+⅛	8.11
ONTARIO HYDRO 11 5/8 94	200	107⅞	108⅜	-⅛	8.98
OSTER KONTROLLBANK 8 1/8 93	200	100¼	100¾		8.03
PETRO-CANADA 7 1/4 96	200	94¼	94¾	+⅛	8.61
PRUDENTIAL RLTY SECS 0 99	345.216	49⅛	49⅝	+⅛	9.31
QUEBEC HYDRO 9 3/4 98	150	103¾	104¼		9.23
QUEBEC PROV 9 98	200	99¾	100¼		9.05
SAINSBURY 9 1/8 96	150	101½	102	+⅛	8.77
SAS 10 99	200	101⅝	102⅛	+⅛	9.69
SBAB 9 1/2 95	200	103¼	103¾		8.56
STATE BK STH AUST 9 1/4 93	100	101½	101⅞		8.43
SUMITOMO BK CAP MKT 9 3/8 95	150	102	102½	+⅛	8.56
SWEDEN 8 1/8 94	150	99½	100	+⅛	8.39
SWEDISH EXPORT 9 5/8 93	100	102¾	103¼		8.17
TOKYO METROPOLIS 8 1/4 96	200	98¼	98¾		8.61
WORLD BANK 8 3/8 99	1500	97¼	97¾	+⅛	8.70
WORLD BANK 8 3/4 97	1500	101½	102	+⅛	8.55
XEROX CORPN 8 3/8 96	100	96¾	97¼	+⅛	9.20

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
COUNCIL EUROPE 7 94 LFr	600	95¾	96¼		9.30
KREDIETCORP 7 93 LFr	1000	93¼	94¼		10.00
WORLD BANK 8 96 LFr	1000	95¼	96¼	+1¼	9.14
AMRO BANK 6 1/4 92 Fl	150	97¼	98		9.38
RABOBANK 5 3/4 93 Fl	150	[illegible]	[illegible]		9.81
ALBERTA PROVINCE 10 92 C$	300	97¾	98¼	-⅛	11.96
BCE INC 9 5/8 93 C$	300	95¾	96¼	-⅛	11.72
BELL CANADA 10 5/8 99 C$	150	95¼	95¾	-⅛	11.47
BRITISH COLUMBIA 9 1/4 93 C$	150	95¾	96¼	-⅛	11.56
EIB 10 1/8 98 C$	130	96	96½		10.93
FORD CREDIT CANADA 10 94 C$	100	95	95½		11.72
GENERAL ELECT CAP 10 1/4 93 C$	175	98¼	98¾		10.97
MONTREAL TRUSTCO 8 1/2 92 C$	100	95	95½	+⅛	12.56
ONTARIO HYDRO 10 7/8 99 C$	500	97¾	98¼		11.28
QUEBEC PROV 10 1/2 98 C$	200	96	96½	+⅛	11.28
ROYAL TRUSTCO 10 1/4 95 C$	100	96¼	96¾		12.11
SWEDEN 9 3/4 93 C$	250	97¾	98¼		11.07
AUSTRIA 7 3/8 93 Ecu	125	92¾	93¼	-⅛	10.83
CNT 7 3/8 93 Ecu	250	92¼	92¾	-⅛	11.07
CREDIT LYONNAIS 9 96 Ecu	125	92¼	92¾		10.78
DENMARK 7 5/8 96 Ecu	250	90¼	90¾	-⅛	10.08
EEC 7 5/8 94 Ecu	200	93½	94	-⅛	10.09
EIB 10 97 Ecu	1125	100⅞	101⅛	-⅛	9.87
ITALY 10 3/4 00 Ecu	1000	104¼	104¾	-⅛	9.97
SWEDEN 7 1/2 93 Ecu	250	91¼	92¼	-⅛	11.17
BMW FINANCE 14 1/2 92 A$	100	101½	102¼		12.83
COUNCIL EUROPE 13 93 A$	90	100⅞	101½	-⅛	12.45
EKSPORTFINANS 12 3/8 95 A$	75	100¼	100¾		12.21
FORD CRED AUST 15 93 A$	90	99¾	100¼		12.99
ICI 15 1/2 92 A$	100	102¾	103¼		13.11
MCDONALDS CANADA 15 95 A$	100	105¼	106¼	+⅛	13.16
NAT AUSTRALIA BANK 14 3/4 94 A$	150	104	104½	+⅛	13.07
STATE BK NSW 14 1/4 99 A$	100	100	100½	+⅛	12.66
VOLKSWAGEN INTL 15 94 A$	100	105	105½	+⅛	12.98
ABBEY NATL TREAS 13 3/8 95 £	100	103	103½	-⅛	12.38
BARCLAYS JERSEY 9 1/2 93 £	250	94¼	94¾	+⅛	12.40
BRITISH GAS 12 3/4 95 £	150	103¼	103¾	+⅛	11.69
DEUTSCHE BK FIN 11 94 £	225	97½	98	+⅛	11.94
EIB 10 97 £	300	94	94½	+⅛	11.40
FORD CREDIT FUNDING 9 5/8 93 £	50	93⅝	94⅛	+⅛	12.91
INTER AMER DEV 11 3/8 95 £	75	99¼	99¾	+⅛	11.55
ITALY 10 1/2 14 £	400	91¼	91¾	-⅛	11.58
LAND SECS 9 1/2 07 £	200	78⅛	78⅝	-⅛	12.70
LEEDS PERMANENT 9 1/4 93 £	50	93⅛	93⅝		12.49
NORWAY 10 1/2 94 £	200	96⅛	96⅝	-⅛	11.91
ROLLS-ROYCE 9 3/8 93 £	150	93⅛	93⅝	-⅛	12.77
SAINSBURY 10 7/8 93 £	100	97⅛	97⅝		12.53
SKANDINAVISKA ENSK 13 1/8 95 £	100	102⅛	102⅝	+⅛	12.29
WORLD BANK 11 1/4 95 £	100	99¼	99¾		11.47
ABBEY NATIONAL 0 96 NZ$	100	46⅛	48		14.13
TELECOM NZ O/S FIN 13 1/8 95 NZ$	75	99¼	100⅛		13.34
AIDC 7 7/8 93 FFr	600	93½	94	-⅛	10.61
CREDIT LYONNAIS 10 95 FFr	2000	98¾	99¼	+⅛	20.47
[illegible] 7 5/8 98 FFr	500	96¾	97¼	+⅛	10.19

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ASIAN DEV BANK 8 94	200	96¾	[illegible]	-⅛	9.13
AUSTRIA 6 98	400	83⅞	[illegible]	-⅛	9.17
CNT 6 1/8 98	200	83	83½	-⅛	9.26
CREDIT FONCIER 6 3/4 98	500	86¼	86¾	-⅛	9.18
DEUTSCHE BK FIN 5 5/8 96	750	86	86½		8.97
EEC 5 3/8 93	300	93¼	93¾	-⅛	9.21
EIB 6 1/8 96	300	87¼	87¾	+⅛	9.05
EIB 6 7/8 95	300	93¾	94¼	+1⅛	8.54
EUROFIMA 6 1/4 98	400	85¾	86¼		9.21
FELDMUEHLE FINANCE 8 99	200	91¼	91¾	-⅛	9.39
FERRO DEL STAT 5 3/8 93	500	93¼	93¾		9.01
IND BK JAPAN FIN 5 5/8 96	200	84¼	84¾	+⅛	9.43
INTER AMER DEV 7 1/4 99	300	89¾	90¼		9.06
LUFTHANSA INT FIN 5 7/8 98	500	82¼	82¾	-⅛	9.20
QUEBEC HYDRO 6 3/4 99	300	86¼	86¾	+1	9.21
SWEDEN 6 1/8 98	300	86¼	86¾	-⅛	8.76
WORLD BANK 0 15	2000	15¼	15¾	+⅛	7.74
WORLD BANK 5 3/4 96	300	86¼	86¾	-⅛	9.26
WORLD BANK 7 1/8 95	500	93¼	93¾	-⅛	9.05

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ASIAN DEV BANK 6 10	100	92¼		-1	7.75
AUSTRIA 4 5/8 98	100	87	87½	+⅛	6.99
CHUJITSUYA 7 3/4 95	50	102		+⅛	7.22
COUNCIL EUROPE 4 3/4 98	250	85¼	85¾		7.40
EEC 5 1/2 00	100	88	89	+2	7.23
EIB 5 3/4 93	100	96¼	97¼	-⅛	7.04
FINLAND 5 3/8 95	150	96	96½		6.86
GENERAL MOTORS 7 1/2 95	100	100½	101	+⅛	7.35
JAPAN DEV BK 5 1/2 94	100	96¼	97		6.76
MOUNT ISA FINANCE 5 3/4 94	100	86¼	88	-⅛	10.58
NEW ZEALAND 4 7/8 99	200	83	83½		7.77
QUEBEC HYDRO 5 08	100	75¼	76¼		7.59
SKANDINAVISKA ENSK 6 1/2 95	100	95	97	-½	7.98
WORLD BANK 5 03	150	80	80½		7.50
WORLD BANK 7 1/4 92	100	100	100½		7.21

YEN STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
AUSTRIA 4 3/4 94	30000	93¾	94	+⅛	7.12
CANADA 4 3/8 92	80000	96	96½	+⅛	7.22
CREDIT FONCIER 5 1/4 94	20000	93½	93¾		7.21
DENMARK 7 95	40000	100	100½	+⅛	6.99
EIB 4 5/8 94	40000	92¼	93	+⅛	7.18
GENERAL ELECTRIC 5 3/4 95	35000	96¼	97	+⅛	7.45
INTER AMER DEV 7 1/4 00	30000	102½	102¾	+⅛	6.93
ITALY 5 3/4 92	150000	98¼	98½	+⅛	7.34
KANSAI ELEC PWR 4 5/8 94	60000	92¼	93	+⅛	7.11
NIPPON TEL & TEL 5 7/8 96	50000	95¼	95¾	+⅛	6.92
NORWAY 5 1/8 95	30000	93¼	93¾	+⅛	7.05
SWEDEN 5 5/8 95	20000	93¾	94¼	+⅛	7.18
WORLD BANK 6 3/4 00	50000	99½	99¾	+⅛	6.87

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
ABBEY NATIONAL 1/16 00 £	150	99.90	99.98	13.9375
ALBERTA PROVINCE 1/32 93	500	99.80	99.91	7.9208
ALLIANCE & LEICS 0.08 94 £	300	99.49	99.56	13.9550
BANCO ROMA 0.03 [illegible]	200	91.66	[illegible]	[illegible]
BANCO SANTO SPIRITO 95	200	99.50	99.60	8.4375
BELGIUM 1/16 97 DM	500	99.95	[illegible]	[illegible]
BFCE -0.02 96	300	99.60	99.70	7.7925
BNP 05	300	97.40	97.50	8.8938
BRITANNIA 1/10 96 £	150	99.33	99.38	13.9750
CCCE 06 ECU	200	99.95	100.00	10.0000
[illegible]	300	99.37	99.65	8.2125
COMMERZBK O/S FIN 93	200	99.61	99.72	7.9375
DENMARK -1/8 96	1000	98.97	99.02	8.0000
FERRO DEL STAT 94	200	100.11	100.21	8.2500
HALIFAX 1/10 94 £	300	99.67	99.72	13.9750
HILL SAMUEL 1/4 PERP	75	86.00	88.50	8.5000
MITSUI FIN ASIA 1/8 96	100	98.87	99.01	8.1875
MORGAN (JP) 1/4 97	250	98.13	98.43	8.4375
NAT WEST FIN 3/16 05	400	92.00	93.00	8.3125
NEW ZEALAND 93	500	99.45	99.56	8.0625
NORTHEAST SAVINGS 1/10 96	150	99.45	99.83	8.1625
QUEBEC PROV 01	300	97.05	97.15	8.1250
RENFE 98	500	99.76	99.86	7.8750
SOCIETE GENERALE 96	300	98.30	98.40	8.0000
STATE BK VICTORIA 0.05 99	125	97.88	98.13	8.4375
UNITED KINGDOM -1/8 96	4000	99.95	99.99	8.2500

CONVERTIBLE BONDS	Issued	Cnv. price	Bid	Offer	Prem.
ARGYLL GROUP 4 1/2 02 £	60	2.95	105¼	107	+24.49
ASDA-MFI 4 3/4 02 £	100	1.64	110¼	111¼	+52.29
BURTON GROUP 4 3/4 01 £	110	3.15	105¼	106¼	
EASTMAN KODAK 6 3/8 01	300	90.67	97	98	+18.08
GOLD KALGOORLIE 7 1/2 00	65	1.0554	61¼	62¼	+35.19
GOODYEAR TIRE 6 7/8 03	150	80¼	55¼	56¼	
GRACE (WR) 6 1/4 02	150	42¼	73¼	74¼	+26.38
GRAND MET 6 1/4 02 £	100	6.58	100¼	101¼	+2.05
HAWLEY 6 02 PREF	400	1.91	92¼	94	+27.69
HILLSDOWN 4 1/2 02 £	150	4.16	101	102¼	+64.77
INTL PAPER 5 3/4 02	200	68¼	89	90	+16.40
LAND SECS 6 3/4 02 £	84	6.72	87¼	88¼	+10.63
MITSUBISHI BK 1 3/4 02	300	2727.1	87	89	-0.70
OGDEN 6 02	85	39.077	66¼	67¼	+29.20
PACIFIC DUNLOP 6 3/4 97	75	3.749	102	103	+3.24
TEXAS INSTRUMENTS 2 3/4 02	300	82¾	80¼	81¼	+90.40
THORN EMI 5 3/4 04 £	103	7.45	104¼	105¼	+16.09

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (‡three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Data supplied by Association of International Bond Dealers.

US paper group to buy French operation

By Martin Dickson in New York

INTERNATIONAL Paper, the US forest products group which has been expanding rapidly through acquisitions in Europe, said it had agreed to buy the French operations of Georgia-Pacific, another leading US paper company, for FFr525m ($105m).

The sale includes Georgia-Pacific's interests in Papeteries Etienne, a linerboard and corrugating medium manufacturing operation at Arles; Papeteries d'Espaly and Emballages Laurent, two packaging plants at LePuy and Chalon-sur-Saone; and Ets Charles Grenier and Rhone Valley Packaging, two sheeting facilities at St Vallier and Reventin-Vaugris.

International Paper said the move was a logical expansion of its long-standing European container board converting business.

Georgia-Pacific said the operations were non-strategic and it would continue to focus on its US operations. The sale would help reduce its debt, which rose sharply earlier this year when it acquired the paper company Great Northern Nekoosa.

The move followed an announcement last Friday by International Paper that it planned to take a $212m pre-tax charge in the fourth quarter, mainly to cover the sale or liquidation of assets which are not strategically important or not making an adequate return.

The company would not reveal the assets earmarked for disposal, but said all of them were in the US. The move, it added, followed a detailed review of all activities.

Asset sales were expected to generate as much as $200m in after-tax proceeds over the next three years. The company estimated that the pre-tax earnings benefit from its actions would be $25m to $40m annually.

Another large US paper company, Mead Corporation, has announced a series of cost reduction and restructuring moves which, it said, would mean a one-time after-tax charge of $85m to 1990 earnings. It is also cutting its 1991 capital expenditure from $500m to $350m.

Mead said it would take a $49m charge to reflect a write-down of assets in its Mead Imaging division, and to establish a reserve to fund commitments to hardware partners.

Malaysian bank back in black after restructure

By Lim Siong Hoon in Kuala Lumpur

BANK Bumiputra, Malaysia's second largest bank, has reversed from years of losses to report a M$77m (US$28m) after-tax profit for the 12 months ended March 1990.

The group's accumulated losses stood at M$1.52bn last year. These led Bumiputra to restructure its equity and raise an additional M$1.15bn in new funds.

The bank's pre-tax profit for last year was M$80m, compared with the previous pre-tax loss of M$1.04bn. The recovery stemmed mostly from a sharp fall in total expenditures, from M$1.43bn to M$433m.

Bad and doubtful debt provisioning fell 85 per cent from M$842m to M$130m, while "other expenses" dropped also by 85 per cent from M$325m to M$49m. Bad debts written off in the year amounted to M$29m.

● Two Malaysian banks will soon join seven other banking groups to be listed on the Kuala Lumpur stock exchange as a result of a restructuring of the financial sector. Ban Hin Lee and Hock Hua, two regional banks, are seeking listings.

U.S. $200,000,000

BANK OF BOSTON CORPORATION

Floating Rate Notes Due 2000

Issued 12th September 1985

Interest Period	14th September 1990 14th March 1991
Interest Amount per U.S. $50,000 Note due 14th March 1991	U.S. $2,005.82

Credit Suisse First Boston Limited
Agent Bank

German banks search for support for futures market

By Katharine Campbell in Frankfurt

GERMAN banks have been forced to search for ways of supporting their domestic futures market after an embarrassingly slow start to the bund contract, launched at the end of November in competition with London.

While the bund has become one of Liffe's most successful contracts, the German market had no indigenous instrument until the Deutsche Terminbörse (DTB) expanded its electronic options system to include futures from November 23.

German bankers were dismayed when only an average of 2,500 contracts changed hands each day (less than a tenth of Liffe's business) after the fanfare with which the new product had been launched and the public promises to bring at least a significant share of the business back home.

The costs of the exchange have been steep, and Frankfurt's pretensions as a leading financial centre could be undermined if even D-Mark denominated instruments continue to be traded more actively elsewhere.

Now Deutsche Bank has reversed its earlier decision to trade where the market is most liquid, and has confirmed its plans to "give preference" to the DTB. It denies that it is bringing anything like all its business home or that it is transferring any personnel.

Deutsche Bank's power in the German market generally, personified not least by the influence of Mr Rolf Breuer, managing board director at Deutsche and chairman of the DTB, is likely to ensure a certain following among the other German banks that have been using Liffe.

But most traders are reluctant to bow to "political" pressure, preferring to deal where they can make money, namely in the more liquid market.

In the opening half-hour yesterday, some 1,500 contracts were traded on the DTB, with only about a third of that volume put through Liffe. But the pattern soon reverted to normal, with volume for the day on the DTB 2,668, compared with 13,750 on Liffe, excluding the latter's after hours trading.

Treasuries rise on cut in discount rate

By Nikki Tait in New York and Deborah Hargreaves in London

US BOND prices rose sharply yesterday afternoon following the Federal Reserve's decision to cut the discount rate from 7 to 6.5 per cent, effective from today.

The timing of the move surprised the market; although it had been focusing on some possible easing in the wake of a meeting of the Federal Reserve's policy-making open market committee in Washington, it had not anticipated the discount rate action.

GOVERNMENT BONDS

In the wake of the Fed decision the benchmark 30-year Treasury long bond rose in mid-afternoon by almost one point to 107.07, to yield 8.097 per cent. At the shorter end of the market, the 7.75 per cent bonds due in November 1993, rose by ⅛ to 101.07 where they yield 7.261 per cent.

With the Fed funds market on the strong side the authorities intervened yesterday morning, arranging $2bn of customer repurchase agreements, after Monday's $1.5bn. Fed funds were trading at 7⅛ when the Fed entered the market, against its target of 7¼.

■ THE yield on Japanese government bonds dipped through 7 per cent yesterday. As the market continues to defy economic fundamentals, according to some analysts, breaching such a psychological resistance point means the yield could go up a further 10 to 20 basis points.

The high point for the price of the 119 benchmark bond produced a yield of 6.99 per cent yesterday as the market traded in a narrow range and closed with a yield of 7.08 per cent.

The Japanese ministry of finance will postpone its monthly auction of bonds due to the holidays. The auction of December bonds will probably be on January 8 when the MoF is likely to sell Y700bn of bonds with a coupon that could be 6.5 per cent based on current prices.

■ IN the UK, gilt-edged securities showed some consolidation after the release of disappointing public sector borrowing requirement figures. But business was slow and the market kept in a narrow range. A long benchmark issue maturing in 2003/07 closed at 107⅛ to yield 10.66 per cent.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		13.500	08/92	105-09	-08/32	11.59	11.18	11.37
		9.000	03/00	90-12	-11/32	10.65	10.49	11.25
		9.000	10/08	89-30	-13/32	10.33	10.11	10.91
US TREASURY *		8.500	11/00	103-31	+21/32	7.91	7.94	8.29
		8.750	08/20	107-06	+26/32	8.10	8.10	8.44
JAPAN	No 119	4.800	6/99	88.1501	+0.446	7.03	7.08	7.70
	No 129	6.400	03/00	96.6806	+0.507	6.93	6.80	7.36
GERMANY		9.000	10/00	101.8000	-0.240	8.74	8.71	8.95
FRANCE	BTAN	9.000	11/95	95.5901	-0.035	10.17	10.12	10.28
	OAT	8.500	03/00	91.7900	+0.050	9.87	9.87	10.25
CANADA *		10.500	03/01	102.2000	+0.200	10.15	10.05	10.52
NETHERLANDS		9.250	11/00	101.4300	-0.140	9.02	9.01	9.14
AUSTRALIA		13.000	07/00	105.7436	+0.115	11.98	11.89	12.44
BELGIUM		10.000	08/00	100.1600	-0.100	9.96	9.70	9.75

London closing, *New York closing
Yields: Local market standard

Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

US securities firms in talks on merger of 'back offices'

By Martin Dickson

SHEARSON Lehman Brothers and Prudential-Bache Securities, two of Wall Street's large securities firms, are discussing the possible merger of their "back office" operations, which process dealings in securities, in an effort to cut costs.

Wall Street executives stressed the talks were in a very preliminary stage and did not involve any wider plan to merge the two firms. Neither company would comment.

But, if the discussions are successful they could mark the start of a much larger rationalisation of back offices at many Wall Street firms, involving large cost savings and substantial job losses.

For the two companies would then try to farm out their combined services to other houses, or seek to bring in other firms as direct participants.

Back offices and their complex computer systems were expanded greatly in the bull market of the 1980s, but since the 1987 crash many have been operating far below capacity, leaving firms with very large fixed costs.

Shearson, which is owned by American Express, and Prudential-Bache – part of Prudential Insurance – are understood to have started talking some seven to eight months ago. Each have around 2,000 back office staff, and the combined cost savings from a link-up could be as much as $100m a year.

Some sources suggested yesterday the firms might be able to reach a very preliminary agreement in several weeks time, although they stressed that combining two separate computer systems would be extremely complex.

Mitsubishi Corp lifts size of programme

MITSUBISHI Corporation Finance has increased the size of its international medium-term note programme from $1.2bn to $2bn, the second rise in two months, writes Simon London. The programme was launched in September 1989, via Merrill Lynch.

Single market deadline threatened

By Lucy Kellaway in Brussels

THE INVESTMENT services directive and the related capital adequacy directive will top the list of priorities for Luxembourg when it takes over as president of the Council of Ministers in January.

If both controversial directives – on which progress has been very slow – are not agreed by June next year, the January 1993 deadline for the single market may be missed.

The Italian presidency has failed in its ambition to get the critical legislation for the single market in investment services tied up during its six-month term, and on Monday evening dropped the item from the lengthy agenda of the finance ministers meeting.

They will leave the debate at a sensitive stage – with member-states such as the UK, Germany and the Netherlands grumbling that recent moves have been backwards.

The new draft contains a highly restricted definition of a "regulated market" that would leave out all financial futures and other derivative markets.

It would also leave new markets, such as London's SEAQ International, outside the scope of the definition. The draft would allow – as the French and the southern member-states have consistently urged – member-states to insist that trades in certain securities had to be carried out on regulated markets.

An earlier commission compromise, that would have reduced this right to limited circumstances covering small investors and only a very small range of instruments and which would have allowed investors to opt out, has been emasculated in the latest draft from the presidency.

According to this, even the largest institutional investors would have to grant a legalistic permission for each trade carried out on their behalf on an unregulated market. There is also much disagreement on the question of price reporting and price transparency.

According to the British camp, the latest proposals confused the need to be able to establish an audit trail to detect suspicious deals, and the need for investors to have good price information at the time of dealing.

The latest proposals would probably mean that all trades on stock markets would have to be made fully transparent, even the very large ones. This would be a serious problem for the UK stock exchanges, where larger trades are often not reported.

Germany and the Netherlands are also opposed to the reporting rules, as the structure of their stock exchanges could make it physically impossible for them to comply.

There is more sign of progress on other issues. The Spanish had objected that the directive would give banks the right to become members of their stock exchange – something that is not now allowed. A way round this would be to give Spain more time to comply with this part of the directive.

IADB launches Y35bn issue

By Simon London

THE Inter-American Development Bank (IADB) maintained its recent high profile in the international bond market yesterday by launching a Y35bn issue, lead-managed by Daiwa, the only new issue of the day.

INTERNATIONAL BONDS

Yesterday's bond issue is classified as a "daimyo" deal in the nomenclature of the international bond markets, being a foreign bond launched into the Japanese domestic market but with a European listing and settlement through the Eurobond clearing houses.

Last week, the IADB launched three issues, a SFr150m 10-year issue, lead-managed by Credit Suisse, a DM300m 10-year issue via Deutsche Bank and a $300m five-year deal via J.P.Morgan.

The government shareholders of the bank are currently injecting new equity, which could open the way for a borrowing programme in excess of this year's total of $1.78bn or $1.98bn raised in 1989. Over the next four years, the bank should receive an additional $26.6bn of equity capital. Moreover, bond investors are receptive to paper from triple-A rated, sovereign-backed issuers in an environment characterised by worries over the credit quality of corporate issuers.

The IADB currently has around $9bn of paper outstanding in the international debt markets and total outstanding debt burdon of $15bn. But this amounts to 75 per cent of capital contributed by triple-A rated governments and reserves before the recapitalisation takes effect, so there is scope for further issuance.

As the recent spate of issues demonstrate, the bank has in the past focused its borrowing programme on the traditional Eurobond currencies. However, next year the bank will be active in the market and will be looking at new funding opportunites in all currencies.

ENI plans L1,402bn floating rate deal

By Haig Simonian in Milan

ENI, the Italian state-owned energy and chemicals group, announced plans to issue one of the most innovative bonds ever seen on the Italian domestic market. It will finance ENI's acquisition of the Enimont chemicals joint venture.

The L1,402.5bn floating rate deal, to be issued in February, will be convertible throughout its life into shares of ENI's chemical activities in conjunction with any future privatisation. The coupon for the four-year paper will be linked to a basket of public-sector bonds and three-month lira interbank interest rates. The first six-monthly coupon has been set at 6.40 per cent gross.

The bond, which follows last month's decision by Montedison to drop out of the long-running battle for control of Enimont, will cover the cost of acquiring the 20 per cent of Enimont's shares floating in the market.

ENI is offering the minority shareholders the same price of L1,650 a share as bid for Montedison's 40 per cent stake in the company. ENI has about L2,000bn in bonds outstanding. Recent issues include fixed-rate bonds for L500bn maturing in 1994.

● Gemina, the financial services group controlled by Fiat, is buying Republic New York Capital Markets (Luxembourg), the Luxembourg-based capital markets subsidiary of Republic National Bank of New York.

CS First Boston completes restructuring

CS FIRST Boston, the troubled New York-based investment bank, has completed a financial restructuring which will inject $315m of new equity capital into the firm and give CS Holding of Switzerland majority control, writes Martin Dickson in New York.

CS, the holding company for the commercial bank Credit Suisse, has raised its stake in CS First Boston from some 44.5 per cent to about 60 per cent by providing $300m of new equity.

CS First Boston yesterday revealed it had also raised a further $15m of equity from other institutional investors, but did not name them.

The restructuring also involves creating a special limited partnership which will contain most of CS First Boston's troubled "bridge" loans. It was Wall Street concern over these loans which necessitated the bail-out by CS Holding.

Moody's Investors Service, the credit rating agency, said yesterday it was confirming CS First Boston's long-term debt and commercial paper ratings, to reflect the recapitalisation and change of control. Moody's said CS First Boston would benefit from CS Holding's managerial and financial resources. But added it faced organisational and market-environment challenges that could crimp its future performance.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Tuesday December 18 1990 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1990 to date	Mon Dec 17 Index No.	Fri Dec 14 Index No.	Thu Dec 13 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (196)	723.17	-0.2	14.74	6.62	8.28	38.31	722.69	726.97	725.36	898.94
2 Building Materials (26)	966.78	-0.7	14.91	6.32	8.26	45.71	973.97	983.88	982.54	1069.26
3 Contracting, Construction (34)	1132.67	-0.4	16.54	7.10	7.86	59.58	1137.77	1144.13	1138.43	1463.95
4 Electricals (10)	1926.78	+0.2	14.58	6.93	8.39	99.22	1923.77	1920.07	1923.00	2635.66
5 Electronics (26)	1548.10	-0.5	10.33	5.55	12.91	61.02	1555.47	1559.96	1549.67	1894.36
6 Engineering-Aerospace (8)	400.22	-0.4	16.77	6.10	7.14	17.27	401.90	402.31	400.00	0.00
7 Engineering-General (48)	366.02	+0.2	15.87	7.01	7.60	19.28	365.47	368.85	370.00	0.00
8 Metals and Metal Forming (8)	403.16	+0.5	22.54	8.53	5.48	25.45	401.16	401.33	401.45	470.78
9 Motors (13)	294.06	+0.5	16.98	8.18	6.86	17.45	292.53	294.48	292.77	374.16
10 Other Industrial Materials (23)	1259.18	......	13.38	6.50	8.64	62.67	1259.43	1268.38	1267.37	1730.88
21 CONSUMER GROUP (170)	1230.28	+0.1	10.00	4.22	12.42	38.20	1229.37	1232.44	1233.36	1302.93
22 Brewers and Distillers (22)	1601.81	+0.8	10.17	3.88	12.11	42.93	1588.65	1591.17	1588.39	1516.78
25 Food Manufacturing (19)	1041.36	+0.2	11.15	4.75	11.05	34.87	1039.76	1039.25	1035.21	1138.64
26 Food Retailing (16)	2297.05	+0.2	9.80	3.28	13.33	64.97	2292.39	2286.52	2271.53	2254.12
27 Health and Household (18)	2564.03	-0.2	6.97	2.96	17.00	59.28	2569.38	2573.77	2584.44	2665.45
29 Leisure (32)	1217.94	-0.1	12.20	5.47	9.94	48.00	1218.82	1221.36	1229.97	1643.42
31 Packaging & Paper (12)	519.72	+0.1	12.35	6.76	9.94	24.32	519.20	523.28	525.71	547.46
32 Publishing & Printing (13)	2951.55	-0.4	12.18	6.42	10.28	140.95	2963.39	2971.70	2970.41	3766.61
34 Stores (34)	777.68	-0.4	10.98	4.70	11.83	25.73	781.08	789.60	794.03	779.31
35 Textiles (12)	404.00	+0.4	14.42	8.79	8.90	27.62	402.49	402.87	399.78	524.00
40 OTHER GROUPS (105)	1018.57	+0.3	12.51	5.67	9.67	35.54	1015.75	1020.61	1026.02	1164.24
41 Agencies (14)	927.15	-0.6	11.47	3.62	10.56	25.06	933.10	929.29	949.43	1554.82
42 Chemicals (24)	1075.21	+0.7	12.59	6.28	9.38	51.96	1067.46	1075.64	1093.00	1222.68
43 Conglomerates (13)	1299.15	-0.5	13.66	7.76	8.71	45.14	1295.21	1318.08	1323.79	1606.61
44 Transport (15)	1909.66	+0.6	13.63	5.37	9.02	79.19	1897.56	1921.40	1920.87	2258.19
46 Telephone Networks(3)	1174.13	+0.3	11.39	4.31	11.42	27.94	1170.98	1162.77	1159.80	1182.89
47 Water(10)	2187.12	+1.0	14.32	6.41	7.88	68.12	2165.47	2166.86	2172.27	0.00
48 Miscellaneous (26)	1587.87	+0.4	11.80	5.59	9.85	66.29	1582.23	1595.39	1610.24	1915.26
49 INDUSTRIAL GROUP (479)	1041.14	+0.1	11.81	5.19	10.38	37.64	1040.35	1044.47	1046.06	1172.81
51 Oil & Gas (21)	2316.97	+0.9	9.65	5.50	13.53	95.42	2296.56	2287.22	2276.43	2375.77
59 500 SHARE INDEX (500)	1146.08	+0.2	11.48	5.24	10.76	42.32	1143.81	1146.94	1147.61	1273.16
61 FINANCIAL GROUP (102)	712.10	-0.2	–	6.73	–	35.36	713.84	726.56	730.33	834.41
62 Banks (9)	743.96	-1.0	21.65	7.78	6.05	43.40	751.68	774.00	783.27	853.92
65 Insurance (Life) (7)	1305.90	-0.3	–	5.88	–	55.82	1309.31	1318.25	1311.19	1400.55
66 Insurance (Composite) (6)	620.32	+0.4	–	6.89	–	32.08	617.84	629.39	631.07	725.68
67 Insurance (Brokers) (8)	990.99	+1.8	7.63	6.53	17.16	48.39	973.35	975.72	972.51	1144.26
68 Merchant Banks (7)	356.00	-0.2	5.47	5.77	24.36	15.48	356.62	356.51	356.33	472.02
69 Property (44)	978.48	+0.2	7.22	5.09	18.76	35.10	976.18	986.73	991.58	1215.04
70 Other Financial (21)	255.21	+0.1	10.82	7.11	11.69	14.00	254.86	255.39	255.31	332.41
71 Investment Trusts (70)	1010.72	-0.3	–	3.99	–	29.58	1013.67	1020.25	1024.76	1280.18
91 Overseas Traders (5)	1182.35	+1.1	12.07	7.81	9.86	70.90	1169.64	1172.70	1187.67	1505.48
99 ALL-SHARE INDEX (677)	1039.03	+0.1	–	5.43	–	40.20	1037.71	1042.90	1044.39	1168.64
	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Dec 17	Dec 14	Dec 13	Dec 12	Dec 11	Year ago
FT-SE 100 SHARE INDEX♦	2161.8	+3.9	2165.7	2153.2	2157.9	2168.4	2172.2	2156.9	2165.8	2342.1

FIXED INTEREST

PRICE INDICES	Tue Dec 18	Day's change %	Mon Dec 17	xd adj. today	xd adj. 1990 to date
British Government					
1 Up to 5 years	118.94	-0.22	119.21	–	12.05
2 5-15 years	127.91	-0.24	128.22	–	13.42
3 Over 15 years	131.26	-0.25	131.59	–	11.90
4 Irredeemables	148.44	+0.21	148.13	–	13.70
5 All stocks	127.01	-0.23	127.31	–	12.96
Index-Linked					
6 Up to 5 years	156.94	-0.26	157.34	–	3.04
7 Over 5 years	144.22	-0.44	144.86	–	3.82
8 All stocks	145.06	-0.42	145.68	–	3.75
9 Debentures & Loans	103.87	+0.19	103.67	–	11.35
10 Preference	73.96	-0.15	74.07	–	6.66

	AVERAGE GROSS REDEMPTION YIELDS		Tue Dec 18	Mon Dec 17	Year ago (approx.)
	British Government				
1	Low	5 years	9.83	9.80	10.21
2	Coupons	15 years	10.16	10.12	9.56
3		25 years	10.18	10.15	9.48
4	Medium	5 years	11.02	10.91	11.11
5	Coupons	15 years	10.49	10.47	10.01
6		25 years	10.30	10.30	9.66
7	High	5 years	11.13	11.03	11.26
8	Coupons	15 years	10.66	10.65	10.21
9		25 years	10.43	10.45	9.79
10	Irredeemables†		10.33	10.35	9.67
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs	3.99	3.84	3.86
12	Inflation rate 5%	Over 5 yrs	4.15	4.11	3.61
13	Inflation rate 10%	Up to 5yrs	2.60	2.45	2.93
14	Inflation rate 10%	Over 5 yrs	3.95	3.92	3.43
15	Debs &	5 years	12.63	12.63	13.34
16	Loans	15 years	12.37	12.39	12.52
17		25 years	12.14	12.15	12.05
18	Preference†		12.79	12.76	10.80

♦Opening index 2159.6; 9 am 2153.4; 10 am 2159.6; 11 am 2164.9; Noon 2162.4; 1 pm 2161.7; 2 pm 2161.0; 2.30 pm 2161.0; 3 pm 2162.1; 4.10 pm 2162.7; (a) 10.56am (b) 8.59am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 35p. YEAR END RECLASSIFICATIONS: 48 changes are tabulated on page 18 of the December 10th issue of the Financial Times.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	6	74	6
Corporations, Dominion and Foreign Bonds	1	4	16
Industrials	245	321	996
Financial and Properties	94	173	482
Oils	18	21	54
Plantations	0	2	8
Mines	12	39	102
Others	46	38	133
Totals	422	672	1,797

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Am'nt Paid up	Latest Renunc Date	1990 High	1990 Low	Stock	Closing Price p	+or-	Net Div	Times Cov'd	Gross Yield	P/E Ratio
100	F.P.	–	100	97	Aberforth Smaller Co.	99	-1	–	–	–	–
–	F.P.	–	30	28	Do. Warrants	28	-2	–	–	–	–
240	100	–	169	141	East Midlands Elect. 50p	148	+4	R15.04	1.7	7.0	10.1
240	100	–	149½	140	Eastern Elect. 50p	142½	-½	R14.45	1.6	6.8	10.6
§100	F.P.	–	103	103	‡Eidos 10p	103		–	–	–	–
2	F.P.	–	4½	3	Fielsa Group 1p	3		–	–	–	–
240	100	–	152½	138	London Elect. 50p	146	+2½	R14.9	1.7	6.9	10.1
–	F.P.	–	22	19	‡MMI 1p	19		†1.0	2.4	7.0	7.3
240	100	–	179	159	Manweb 50p	173	+1	R16.0	1.8	6.8	9.4
240	100	–	159½	137	Midlands Elect. 50p	144	+2	R15.04	1.8	7.1	9.2
240	100	–	157½	139	Northern Elect. 50p	144	-1	R16.25	1.9	7.6	8.3
240	100	–	156	146	Norweb 50p	151	+4	R15.63	1.7	7.2	10.6
†	F.P.	–	17	8	‡Paramount 2½p	9½		–	–	–	–
†	F.P.	–	53	31	‡Pelican 20p	33		–	–	–	–
£2400	1000	–	£1600	£1450	Reg. Elect. Pkg. Unit	£1515	+82	–	–	–	–
240	100	–	151	139	Seeboard 50p	149		R14.76	1.7	6.8	10.9
§100	F.P.	–	96	70	Smaller Cos. Inv. Tst50p	70		–	–	–	–
–	F.P.	–	23	18	Do. Warrants	18		–	–	–	–
240	100	–	170	159	South Wales Elect. 50p	167	+8	R15.96	1.9	6.9	[illegible]
240	100	–	158	144	South Western Elect. 50p	150	+1	R15.2	1.6	7.0	10.9
240	100	–	157	142	Southern Elect. 50p	147½	+1	R14.45	1.6	6.7	10.8
50	F.P.	–	45	[illegible]	Trio Inv. Tst.	41		–	–	–	–
–	F.P.	–	11	5	Do. Warrants	7	-1	–	–	–	–
†	F.P.	–	126	109	Unichem 10p	117		W4.5	2.5	5.1	8.8
240	100	–	175	152½	Yorkshire Elect. 50p	168	+6	[illegible]	2.1	6.7	8.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1990 High	1990 Low	Stock	Closing Price £	+ or -
100p	F.P.	–	100¼p	99¾p	Bank of Scotland 9¼pc Non Cm Pf £1	100p	
100	F.P.	–	101	60	‡Bluebird Toys 12pc Cv. Uns. Ln. 2005	60	-5
–	–	–	86	68	Brent Walker Capital 13pc Cv Cap Bd	86	+1
‡	P/P	29/11	38p	32¾p	[illegible] Group Cv. Rd. Prf. [illegible]	35p	
35	–	–	32½	30½	Grosvenor Securities 8pc Cv Ln 2000	32½	
100p	F.P.	28/9	104p	91p	Perkins Foods 8p (Net) Cv Rd Pf	102p	-1
100p	F.P.	–	121½p	106p	Reckitt & Colman 9.5pc Cv Bds 2005	120p	-1½
100p	F.P	–	102p	96p	TT Group 10¾pc Cnv. Red. Prf. 1997	101p	+1
100	F.P.	–	110½	101¼	Tesco Capital 9pc Cnv. Cap. Bd. 2005	106¾	+½
100p	F.P.	–	110p	103p	Worcester Cm Rd Cv Pf	108p	
100p	F.P.	–	105p	43p	Wyndham Group 9.375pc Cm.Pf	50p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1990 High	1990 Low	Stock	Closing Price p	+ or -
170	Nil	–	23pm	20pm	Control Techs. 10p	20pm	
25	Nil	–	¼pm	¼pm	England (J.J) 5p	¼pm	
45	Nil	–	4pm	3pm	Excalibur Group 5p	3pm	
240	Nil	–	20pm	2¼pm	Harvey & Thompson 20p	2½pm	
65½	Nil	–	½pm	¼pm	Intl. Bus. Comms.	½pm	
5	Nil	–	¼pm	¼pm	‡Merchant Man. Est. 'A'	¼pm	
6	Nil	–	½pm	¼pm	‡Surrey Group 5p	¼pm	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. s Dividend and yield exclude special payment. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990-91. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1990. N Dividend and yield based on prospectus or other official estimates for 1989/90. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Issued by tender. § Offered to holders of ordinary shares as a "rights". † Introduction. ‡ Placing price. †† Reintroduction. ‡ Unlisted Securities market. * Third Market. ♦ Issued in connection with reorganisation, merger or takeover.

TRADITIONAL OPTIONS

- ● First Dealings Dec. 17
- ● Last Dealings Jan. 4
- ● Last Declarations March 27
- ● For settlement April 8

For rate indications see end of London Share Service

Calls in Berisford Intl., Global Inv., Hawthorn Leslie, Regal Hotel and Tuskar Res. Puts in Beazer, Ford Sellar Morris Props. and Ratners.

LONDON TRADED OPTIONS

Trading volumes increased in the futures and options markets yesterday but prices moved cautiously through a fairly narrow range. Traders said that most of the business reflected shuffling of institutional positions ahead of the Christmas/year-end period, and also the expiry today of the December share options.

The FT-SE December future contract closed with a 17 point premium, with the fair value premium at around 6 – 10 points. There were further indications of switching from the December contract and into the March contract which comes into full play on January 1.

Among the share options, much of the interest was stimulated by a spate of tax loss deals in the underlying equities; equity traders planning to sell overnight with a view to repurchase the following day often cover the overnight risk in the share options market.

There was demand for British Gas call options which were considered a suitably cheap substitute for the new electricity stocks; Gas topped the active options list with 2,184 contracts. Second in the list was Trusthouse Forte with 1,932 contracts. British Steel, the subject of heavy activity in the underlying stock market where they featured in a trading programme, rated third active with 1,270 contracts.

Other active contracts included Grand Metropolitan (946 contracts, Dixons (935) and Glaxo (841), the last-named attracting interest following a presentation to analysts by Astra, its Swedish rival. There was renewed interest in Lonrho (867 contracts) as traders continued to speculate on the prospects for a merger with Gencor, despite a denial from Gencor. The FT-SE Index option reported increased business of 5,297 contracts against 3,380.

Option		CALLS Jan	CALLS Apr	CALLS Jul	PUTS Jan	PUTS Apr	PUTS Jul
Allied Lyons (*487)	420	75	90	97	2	6	9
	460	37	60	68	6	15	19
	500	16	37	42	23	30	35
ASDA (*120)	110	13	18	–	2	5	–
	120	6½	12	18	6	9½	12
	130	3	7½	13	12	16	17
Brit. Airways (*144)	130	18	24	25	2	5½	7½
	140	11	16	19	4½	9	13½
	160	3	8½	11	18	19	23
SmKl Beecham A (*617)	550	75	95	110	2	10	15
	600	35	58	76	12	25	30
	650	10	32	50	39	47	55
Boots (*319)	300	25	40	47	4	10	14
	330	9	22	29	16	23	27
	360	2	10	17	45	43	45
B.P. (*332)	300	36	45	52	2½	6	8½
	330	13	26	33	9	15	18
	360	4	13	21	30	33	36
British Steel (*118)	110	11	16	18½	1½	3½	6
	120	2½	6	9	16	19	21
	130	1½	4	6	26	26	27
Bass (*1069)	1000	85	125	150	8	[illegible]	32
	1050	47	95	120	22	40	50
	1100	22	65	–	50	65	–
C & Wire (*455)	420	45	65	75	5½	12	17
	460	16	40	52	18	27	33
	500	5½	21	32	48	[illegible]	58
Courtaulds (*343)	300	23	38	45	7	12	17
	330	23	38	45	7	12	17
	360	8	19	27	25	26	32
Com. Union (*488)	420	75	85	87	1½	6	9
	460	38	50	60	6	18	21
	500	13	26	40	23	37	41
GKN (*332)	300	38	44	50	4	14	16
	330	15	24	32	13	27	30
	360	5	12	20	35	47	50
Grand Met. (*656)	600	60	77	96	6	16	22
	650	23	45	65	25	35	42
	700	6	24	–	62	65	–
I.C.I. (*910)	850	77	97	107	8	29	37
	900	40	63	80	23	50	59
	950	18	37	57	50	79	87
Kingfisher (*364)	330	39	56	–	2	7½	–
	360	20	36	44	10	19	25
	390	7	23	29	29	33	41
Ladbroke (*257)	240	25	34	41	4	8	12
	260	11	23	28	11½	17	22
	280	4	14	20	25	30	33
Land Secur (*534)	500	45	63	72	5	12	20
	550	14	32	41	28	33	40
M & S (*224)	220	13	23	27	6	10	14
	240	5	12	17	20	22	24
STC (*322)	300	23	23	23	½	1	1
	330	1	1	1	13	14	14
Sainsbury (*305)	300	15	28	34	7	13	15
	330	4	13	19	27	29	31
Shell Trans. (*459)	420	45	53	67	3	11	14
	460	17	28	45	14	27	32
Storehouse (*108)	100	11	–	–	3½	–	–
	110	4½	10	13	7	11	13
Trafalgar (*193)	180	20	32	32	5	11	19
	200	8	22	23	15	22	29
Utd. Biscuits (*322)	300	30	38	44	3	10	13
	330	8	18	26	15	25	26

Option		CALLS Jan	CALLS Apr	CALLS Jul	PUTS Jan	PUTS Apr	PUTS Jul
Unilever (*695)	650	52	75	90	9	16	23
	700	19	44	60	25	37	45
Ultramar (*323)	300	28	40	50	4	9	12
	330	12	23	33	16	25	27
Option		Jan	Mar	May	Jan	Mar	May
Elec. Pkg. (*£1510)	1500	75	130	170	50	70	80
	1550	50	105	140	60	95	100
Eastern Elec (*143)	140	8½	14	19	5	6	8
	160	2	6	9	19	20	21
Southern Elec (*148)	140	13	19	23	3½	5	7
	160	3½	8	12	14	15	16
Option		Feb	May	Aug	Feb	May	Aug
[illegible] (*529)	500	51	62	78	13	25	28
	550	20	34	52	34	48	50
BAA (*412)	390	37	57	63	9	16	22
	420	19	39	47	22	29	34
BAT Inds (*594)	550	65	80	95	9	20	25
	600	30	48	62	27	40	45
BTR (*333)	330	20	28	38	12	21	25
	360	8	16	25	32	40	42
Brit. Telecom (*291)	280	17½	29½	35½	9	12	15
	300	7½	18½	24	20	25	24
Cadbury Sch (*330)	300	41	45	55	4½	9	12
	330	19	27	36	14	22	24
[illegible] (*776)	750	57	78	102	16	30	35
	800	29	58	73	39	52	57
GEC (*177)	160	20	27	31	3	4½	8
	180	6½	15	18	10½	12	13½
Hanson (*193)	180	14½	21	24	5½	8	10½
	200	4	10½	14	17½	18	22
LASMO (*393)	390	28	[illegible]	50	17	24	30
	[illegible]	13	27	38	33	[illegible]	43
Lucas Inds (*139)	130	15	19	24	5	9	10
	140	8½	14	19	10	14	14
P. & O. (*538)	500	54	[illegible]	78	14	28	31
	550	23	38	52	[illegible]	54	55
Pilkington (*172)	160	20	27	29	4½	7	[illegible]
	180	8½	17	18	13	17	22
Prudential (*201)	200	12	15½	22	7	12	14
	220	4	6½	13	20	25	26
[illegible] (*186)	180	17	26	32	8½	[illegible]	16
	200	7½	16	21	21	23	25
R.T.Z. (*453)	420	50	57	70	9	19	22
	460	25	33	47	24	36	40
Scot. & New (*364)	360	21	35	40	18	25	28
	390	7	23	27	37	40	47
Tesco (*232)	220	21	26	32	5	8	9
	240	8½	15	21	14	16	18
Thames Water (*264)	260	12	21	25	13	17	21
	280	4	10	14	27	29	32
Water Hldg Pkg (*£2605)	2350	280	–	–	95	–	–
	2400	240	–	–	55	–	–
Option		Jan			Jan		
Ferranti (*14)	20	1	–	–	7	–	–
	25	¼	–	–	12	–	–
Option		Dec	Feb	Apr	Dec	Feb	Apr
Fisons (*379)	360	20	33	39	1	7½	13
	390	1½	16	25	14	21	25
Option		Dec	Mar	Jun	Dec	Mar	Jun
Abbey Nat. (*227)	220	8	18	21	1	8½	11
	240	1	8	13	14	21	22

Option		CALLS Dec	CALLS Mar	CALLS Jun	PUTS Dec	PUTS Mar	PUTS Jun
Amstrad (*63)	60	4	8½	13	½	4½	7½
	70	1	4	9	8	10	12
Barclays (*353)	330	25	43	45	1	14	19
	357	8	–	–	6	–	–
Blue Circle (*218)	200	20	31	34	1	7	13
	220	2½	18	23	6	14	23
British Gas (*234)	220	15	21	29	½	5½	8
	240	1	9½	18	7	14	16
Dixons (*137)	130	8	16	22	1	7½	11
	140	1½	10	16	4	12	16
Glaxo (*854)	850	10	55	83	7	37	43
	900	1	32	60	50	65	69
Hawker Sidd. (*434)	420	19	44	54	3	20	32
	460	2	23	34	30	40	52
Hillsdown (*254)	240	15	28	34	1	8	12
	260	1	17	22	10	16	21
Lonrho (*215)	200	17	21	27	1	12	13
	218	2	–	–	8	–	–
Midland Bk (*198)	180	20	30	35	1	10	12
	200	3½	15	22	6	19	25
Reuters (*666)	650	25	73	102	6	53	67
	700	2	53	80	33	77	93
[illegible] (*162)	160	3½	14½	17	2	10	13
	180	½	7½	9	19	22	25
Sears (*81)	80	2½	8½	10½	2	5	8
	90	1	4½	6½	10	11	14
THF (*247)	240	8	23	27	1½	8½	14
	260	1	11	16	14	17½	24
Thorn EMI (*669)	650	23	57	78	3	21	30
	700	1½	30	48	35	42	51
TSB (*135)	130	6	11	16	1	5	7
	140	1	6	10	5½	11	15
Vaal Reefs (*552)	50	6	11	12	1½	6	7
	60	1	6	9	10	13	14
Wellcome (*444)	420	25	50	68	2	17	24
	460	2	29	45	22	35	[illegible]

EURO FT-SE INDEX (*2163)

	1975	2025	2075	2125	2175	2225	2275	2325
CALLS								
Dec	205	155	105	60	24	6½	1½	½
Jan	220	173	130	92	61	37	20	10
Feb	–	200	–	123	–	65	–	27
Mar	–	220	–	145	–	88	–	45
Jun	–	265	–	198	–	145	–	100
Sep	–	285	–	198	–	140	–	100
PUTS								
Dec	1	2	4	10	23	58	100	148
Jan	14	18	25	34	52	78	109	148
Feb	–	27	–	51	–	90	–	152
Mar	–	37	–	65	–	111	–	170
Jun	–	85	–	125	–	173	–	230
Sep	–	95	–	135	–	175	–	–

FT-SE INDEX (*2163)

	1900	1950	2000	2050	2100	2150	2200	2250
CALLS								
Dec	282	232	[illegible]	134	84	40	13	3½
Jan	298	250	205	157	116	80	50	30
Feb	312	265	222	182	145	113	85	62
Mar	330	[illegible]	244	205	165	132	103	79
Jun †	365	–	285	–	213	–	152	–
PUTS								
Dec	½	1	1½	3	5½	13	38	88
Jan	7½	11	15	20	28	43	68	100
Feb	15	20	27	35	45	62	85	115
Mar	22	26	35	45	59	75	96	124
Jun †	40	–	57	–	85	–	122	–

December 18 Total Contracts 27,134
Calls 14,532 Puts 12,602
FT-SE Index Calls 1,325 Puts 4,511
Euro FT-SE Calls 340 Puts 276
*Underlying security price. † Long dated expiry months

UK COMPANY NEWS

Wessex Water is top of the interim dividend chart

By Andrew Hill

WESSEX WATER yesterday ended the water companies' interim results season with a bang – increasing its dividend 20 per cent to 6.1p, against a notional figure of 5.07p in the equivalent period.

It was the largest interim dividend rise by any of the 10 privatised water companies, and Wessex partly-paid shares rose 8p to 256p.

Other water share prices were marked up.

Wessex played down the significance of the increased dividend. The group stressed instead that it had kept the rise in operating expenditure down to 6 per cent in the six months to September 30, and pushed operating profits up from £24.6m to £31m.

Mr Nick Hood, Wessex chairman, said yesterday: "The dividend increase is based on a notional figure, which was imposed on us by Schroders [the government's adviser on privatisation]. We are not in a dividend race. In terms of pence paid per share we are in the middle of the pack."

Wessex's pre-tax profits rose from an actual figure of £8.8m in the first half of 1989-90, to £34.9m. Had the capital structure imposed for privatisation been in place at the beginning of April 1989, Wessex would have made pro forma pre-tax profits of £30.5m in the comparable period. Turnover increased from £73.6m to £83.5m, slightly ahead of the regulated rate of charge increases, and first-half earnings per share rose from a pro forma 28.1p to 32p.

Mr Hood said the group was on schedule with its capital expenditure and expected an efficiency saving of at least 4 per cent on this year's capital programme of £100m. He added that Wessex was intending to end disposal of sewage to sludge to sea by 1993, five years ahead of the government's deadline.

Last week Lyonnaise des Eaux Dumez, the French water and construction group, sold a 6 per cent stake in Wessex, which it bought just after dealing in the shares began last December.

Wessex said it was pleased the disposal had brought in new institutional investors. One buyer was the group's largest shareholder, Mercury Asset Management, which increased its holding from 12 per cent to 12.5 per cent, held in a number of managed funds.

See Lex

Triplex Lloyd 19% lower at £4.2m following disposal

By Jane Fuller

TRIPLEX LLOYD, the Midlands engineering and building products group, saw pre-tax profits fall by 18.9 per cent in the six months to September 30.

The decline, from £5.1m to £4.2m, followed the sale of a steel casting business, which contributed £830,000 last time, and a fall in property gains to £390,000 (£920,000).

Operating profit on continuing activities, excluding property, inched ahead to £5.3m (£5.1m). Interest charges were reduced to £1.5m (£1.7m).

Overall, turnover increased to £102.2m (£85.6m). The disposal was more than offset by acquisitions in Canada and the UK, notably a loss-making castings business called Sterling, and capital spending in the power division.

Mr James Doel, chairman, said cost cutting had included shedding 10 per cent of the near 5,000 workforce.

Job losses had been heaviest at Sterling and in building products. There were further losses to come.

The power division, which includes the Deritend castings subsidiaries, saw profit slip to £1.2m (£1.5m).

Mr Doel said benefits of investment and rationalisation would show through in the second half.

Building products also held steady at £1.2m in difficult markets. Electrical engineering profit was static at about £1m.

Capital spending is due to fall below £7m this year, compared with £10m.

Year-end gearing is expected to rise from 30 to 35 per cent.

Earnings per share fell to 6.6p (8.2p). The interim dividend is held at 2.5p.

● COMMENT

The near halving of Triplex Lloyd's share price between February and November reflected the gathering gloom about the UK sectors that provided most of its profits last year: automotive, building and property.

While anxiety continues to mount about the automotive and electrical engineering activities, the power division's order book is strong and significant profits remain to be taken from commercial building.

Contributions should also appear from Canada and Sterling. Assuming the management continues to be tough on costs (for all its ideologically sound themes), this adds up to a second-half improvement from core businesses. The big imponderable is the timing of property profits.

If £1m comes through, a pre-tax profit of £10m is forecast compared with £12.2m last year. While this seems a bit optimistic and gives a cheap-sounding prospective multiple of less than six, on a closing price of 93p, the modernised group is well positioned for any upturn.

A prospective yield of 10 per cent gives further comfort.

Booker continues Fitch disposals

By Clay Harris, Consumer Industries Editor

BOOKER yesterday continued its piecemeal disposals from Fitch Lovell, the smaller food group it bought in September, with the sale of WL Miller and Sons and Robirch, makers of meat pies, sausages and other savoury products, for £26.5m in cash.

The purchaser was Kerry Group, an Irish company which has UK sales of about £170m in poultry, meat and dairy products, and food ingredients. Its shares are traded on the USM.

On Friday, Booker sold Jusrol, Britain's largest manufacturer of frozen pastry, to Grand Metropolitan for £46.5m. Booker paid £280m in cash and shares for Fitch, which also brought about £25m of debt into the group.

Booker wanted Fitch primarily for its catering services unitand, to a lesser degree, for fish processing and distribution of chilled and frozen fish products. Mr Jonathan Taylor, chief executive, said the divestment programme was "on track".

Miller and Robirch together made pre-tax profits of £3.15m on sales of £72.5m in the year to April 29. Net tangible assets totalled £12.4m, excluding subsequent "substantial" capital investment at Robirch's Burton-on-Trent plant.

Kerry said it planned to retain both that facility and Miller's factory at Poole. The Irish company already has five manufacturing sites in Britain.

Murdoch quits board post at Reuters

By Maggie Urry

Mr Rupert Murdoch, chief executive of News Corporation, the international media group which is struggling to complete a A$7bn (£3.6bn) refinancing package needed to avoid a liquidity crisis, has resigned as a non-executive director of Reuters, the financial information and news company.

He said he was resigning "due to the pressure of other business commitments".

Last month it was announced that News Corporation had cut its stake in Reuters from 4.4 per cent to 1.9 per cent through the sale of 11.1m shares since August.

Sir Christopher Hogg, chairman of Reuters, said that Mr Murdoch had "made an outstanding contribution to the success and growth of Reuters" since he became a director in 1979.

Brunning makes £1.5m placing

Brunning, the marketing group, plans to raise £1.45m from a placing of shares to eradicate its debt and provide working capital.

The company, which proposes to change its name to Birkdale Group, announced a reduction in pre-tax losses from £1.19m to £610,000 for the six months to September 30. There is no interim dividend.

Brunning is issuing 5.75m new shares at 28p apiece. The shares have been conditionally placed with some existing shareholders and new investors.

The proceeds of the placing, combined with the £800,000 Brunning expects to raise from a property sale, will wipe out its debt of £1.75m.

All the operating companies were profitable in the first half, apart from Lewis Broadbent, the London advertising agency.

Midlands Radio drops by £0.5m

Midlands Radio, which came to the stock market in February, suffered a fall in pre-tax profits from £2.11m to £1.65m in the year to September 30. This was in spite of a rise in interim profits from £905,000 to £951,000.

Turnover was slightly up at £10.71m (£10.64m) in spite of the "difficult trading conditions in the high streets of the Midlands cities in which we operate", the company said.

However national revenue had been disappointing, falling by 7.7 per cent on last year.

Earnings were down at 7.85p (9.88p) per share and the final dividend is a recommended 2p for a maintained total of 4.5p.

MTM appoints US chief

By Clare Pearson

MTM, the specialist chemicals group, has appointed Mr James Friederichsen to take charge of its expanding US operations. He replaces Mr David Fyfe, group managing director, who is resigning from the company.

Mr Friederichsen is rejoining MTM from Staley, US subsidiary of Tate & Lyle, the sweeteners group. He was previously MTM's commercial director.

In October MTM substantially expanded its US side with the £59m acquisition of the Hardwick Chemical Company, financed by a two-for-three rights issue.

MTM is not appointing a new managing director.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Braithwaite	int	1.4	Feb 22	1.4	-	8.9
CH Industrials	int	0.3	Feb 15	1.2	-	5.025
Faupel Trading §	int	1.85	Jan 31	1.85	-	4.9
F&C Smaller	int	0.6	Jan 4	0.45	-	1.5
Gold Greenlees	int	3.3	Apr 6	3.3	-	8.3
Jones & Shipman	int	1	Jan 25	1.5	-	6*
Midlands Radio	fin	2	Feb 18	-	4.5	-
NFC	fin	1.6	Apr 8	1.15	5.65	4.05*
Tinsley Robor	int	0.75	Jan 31	0.75	-	2.1
Thornton (GW) §	fin	2.75	Mar 4	2.75	4.75	4.75
Triplex Lloyd	int	2.5	Feb 18	2.5	-	7
Yorkshire TV	fin	8.7	Mar 22	8	12	11.3
Wessex Water	int	6.1	Mar 4	-	-	10.4
Westpool	int	0.55	Feb 9	0.55	-	2.2

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. *For 15 months.

UK COMPANY NEWS

IMI raises bid for B'ham Mint and buys in market

By Andrew Hill

IMI, the international engineering group, yesterday raised its hostile bid for Birmingham Mint from £12.2m to £13.6m and bought 29.9 per cent of the Midlands company's shares in the market at the increased offer price.

However, Birmingham Mint continued to resist the bid, which it said represented "a miserable price for a company with proven recovery potential and excellent growth prospects". The engineering and electronics group advised shareholders to take no action.

IMI has raised its cash bid from 85p to 95p per ordinary share. The preference share offer is unchanged at 80p. Birmingham Mint's shares rose from 85p to 94p, compared with 60p before the offer was launched.

The predator is unable to increase its stake in Birmingham Mint until the bid is approved by the Office of Fair Trading. It is believed IMI could have bought more than 30 per cent in the market yesterday had it been allowed to. A further 4.75 per cent of the target's equity had been committed to the offer by yesterday afternoon.

The OFT is expected to publish its decision on the proposed takeover before Monday.

IMI, which is part of a three-company minting consortium with the Royal Mint and Birmingham Mint, launched its original offer at the end of October. Two weeks ago, in its defence document, Birmingham Mint forecast an 18 per cent increase in its full-year dividend, a policy which IMI yesterday condemned as irresponsible.

The predator said Birmingham Mint's recovery from losses of £599,000 in the first half of 1989-90 to an interim profit of £1.3m before tax was "more apparent than real" and added that the interim results were below expectations. The profit included £550,000 exceptional from the sale of the group's head office building.

Birmingham Mint said it would be writing to shareholders shortly to explain "why acceptance of this paltry offer would not be in their best interests".

IMI said the offer would not be increased or revised unless a counter-bid emerged, and would stay open for 14 days after posting of the new offer document, which is likely to be published this week. However, because the offer period will straddle the Christmas and New Year holidays, IMI is reserving the right to extend the bid.

Braithwaite down 23% to £2m at six months

By Richard Gourlay

BRAITHWAITE, the industrial services company, has announced pre-tax profits 28 per cent lower at £2m in the six months to September as a slump in construction and the economic slowdown hit earnings.

Mr Andrew Fitton, the chief executive, said the exceptionally good first half of 1989 was always going to be difficult to follow. The figures were also distorted by the inclusion of £0.6m of trading profit in the comparable 1989 figures from a subsidiary which was subsequently sold.

Earnings per share were 6.8p compared to 9.6p but the board proposed to maintain its interim dividend at 1.4p.

Sales were £2.1m lower at £31m but the comparson was again distorted by the £4.7m of turnover from the disposed subsidiary.

Andrews Sykes, the group's main subsidiary, enjoyed a 6 per cent increase in turnover with hire revenues up 15 per cent. However pump hire, where Braithwaite's margins are high, was hit by the downturn in construction activity and equipment sales were lower as companies curtailed capital purchases.

The integration of the two subsidiaries Andrews and Sykes continued with the closure of 6 depots and the opening of three larger ones in an attempt to cut operating costs. A relaunch of Centahire, the hire division, failed to stem losses.

CH's fall to £0.33m hits shares

By Andrew Bolger

CH INDUSTRIALS, the diversified holding group with divisions in transport, vehicle body engineering and office and household products, saw its share price fall by 30 per cent after it announced a collapse in profits for the six months to September 29.

Pre-tax profits fell from £7.32m to £334,000, although group turnover rose by 4 per cent to £121.49m. The interim dividend was reduced from 1.2p to 0.3p with losses per share working through at 0.95p (earnings 5.94p).

The shares closed 7p lower at 16p.

CH blamed a significant downturn in its office and household products divisions, a lower contribution from automotive, mass transit and property activities, and a rise in finance charges resulting from increased borrowings and higher interest rates.

Mr Tim Hearley, executive chairman said: "With recessionary pressures continuing to be evident, there is no doubt that the trading outlook for for the second six months will remain difficult."

Mr Hearley said further disposals of non-core operations were planned to reduce borrowings by the year-end, when the re-orientation of the group was expected to be largely completed.

An extraordinary credit of £1.68m represented the £4.47m profit on the disposal of CH's building chemicals division, the loss of £2.36m on the group's disposal of its 28 per cent stake in Manganese Bronze, the London taxi cab manufacturer, and closure costs of £426,000.

The office and household products division incurred a loss of £95,000, compared with an operating profit of £2.23m last year. Trading conditions continued to be difficult within the flooring accessory markets. Within office furniture and components, weakening demand had reduced profitability.

CH said its automotive and mass transit division increased turnover but produced lower profits. Good results were achieved by automotive sunroof activities and design and engineering.

However, this was more than offset by losses from the furniture foam division of Cherifoam; production problems affecting the manufacture of rolled metal sections; and poor trading within the train window business of Bewclat Engineering. The assets of Cherifoam and the business of Bewclat Engineering were sold in October, and the rolled metal section operation was being reorganised.

Mr Hearley said financial gearing was still about 100 per cent, but was planned to fall further. Total borrowings increased during the period, principally because of high capital expenditure, but this would be significantly lower in the second half.

Moorgate Inv

Moorgate Investment Trust's gross revenue for the half year to November 30 was £1.29m compared with £1.15m. Revenue before tax amounted to £1.18m (£1.05m) and earnings per share to 3.09p (2.76p adjusted). The directors have declared an interim dividend of 1.7p (1.6p adjusted).

NEWS DIGEST

Burmah lifts stake in Foseco

BURMAH CASTROL, the lubricants, fuels and chemicals group yesterday raised to 29.8 per cent its stake in Foseco, the speciality chemicals and abrasives producer, for which it has bid £259m, writes Andrew Bolger.

Burmah's purchase of shares – comprising a 6 per cent stake in the market yesterday – lifts its holding to the limit it can hold before its increased and final offer of 300p per share closes on Friday.

Last week Foseco said it would sell its construction chemicals division in a final attempt to persuade shareholders not to accept Burmah's offer.

Foseco's share price yesterday closed 2p down at 294p.

Jones & Shipman

Jones & Shipman, the machine tool manufacturer, reported taxable profits for the six months to September 30 of £400,000, against £645,000. The result was achieved on turnover higher at £11.95m, compared with £11.12m.

The result was affected by redundancy costs this time of £81,000 (nil), a £71,000 (nil) share of loss of a related company and higher net interest payable of £187,000 (£45,000). Earnings per share were 1.7p (3.2p) and the interim dividend is cut to 1p (1.5p).

Tinsley Robor

Tinsley Robor, the printer and packager and dealer in printing machinery, experienced a profits downturn of £194,000 to £431,000 pre-tax for the six months to end-September.

Turnover fell to £11.86m (£14.2m) reflecting closure of the machinery division. Earnings emerged at 1.09p (1.45p) and the interim is a same-again 0.75p.

GW Thornton

Taxable profits of GW Thornton Holdings, a USM-quoted manufacturer of precision forgings and hand tools, slipped from £1.42m to £1.35m for the year to end-September. Turnover was unchanged at £20.87m.

Earnings amounted to 13p (13.7p).

A final dividend of 2.75p is proposed for a same-again 4.75p total. A special dividend of 33.75p was announced in September for payment in February.

Quiligotti

Profits of Quiligotti, a USM-quoted manufacturer of terrazzo floor tiles, slipped from £1.21m to £1.08m pre-tax for the six months to end-September. Turnover rose by £2.22m to £12.89m.

Directors considered the result satisfactory after taking account of start-up costs associated with the US manufacturing operation and expansion of Irish activities.

Earnings emerged at 2.41p (2.72p) per share and the interim dividend is a same-again 0.76p.

Hilclare

Hilclare, the security and lighting product group, is to join the list of companies migrating from the soon-to-be-abolished Third Market onto the USM.

The Manchester-based company expects that USM dealings in its shares will begin on December 20.

The introduction is to be sponsored by Charlton Seal, a division of Wise Speke.

In the year to March 31, Hilclare reported pre-tax profits of £322,000 – up 22 per cent – on turnover of £2.76m.

The company's products include xenon warning beacons, floodlighting and sophisticated security control panels. It began trading in July 1982.

Mosaic Invs

Mosaic Investments, the industrial holding company, increased pre-tax profit by 76 per cent from £1.91m to £3.35m in the six months to October 31. Turnover tose 65 per cent to £20.33m.

Operating profits were up 93 per cent to £3.58m with industrial products at £1.99m (£778,000) contributing the major proportion; consumer products and services put in £1.6m (£1.06m). The interim dividend is raised to 3.5p, payable from earnings of 14.05p (11.61p) per 10p share.

Brasway

Brasway, the Midlands-based engineer, experienced a fall from £1.6m to £650,000 in pre-tax profits for the half year to October 31. Sales slipped from £22.71m to £19.74m.

Earnings totalled 0.56p (1.42p). The interim dividend is unchanged at 0.24p. An extraordinary profit of £2.23m reflected the sale earlier this year of the bright bar division.

UK COMPANY NEWS

Advertising recession cuts GGT to £2.24m

By Alice Rawsthorn

GOLD GREENLEES TROTT became the latest casualty of the advertising recession when it announced a fall in pre-tax profits from £3.5m to £2.24m on turnover up from £89.5m to £113.1m for the six months to October 31.

Mr Mike Greenlees, chairman, said the group's below-the-line companies had continued to perform well, but its advertising agencies had been hit by the downturn in the UK ad industry. GGT also encountered problems in the US where Rabbit & Reiman, one of its agencies, performed poorly.

Earnings per share fell to 8.62p (14.84p). However the board has decided to maintain the interim dividend at 3.3p and Mr Greenlees said he was confident of maintaining the final dividend too.

The reduction in profits from advertising offset a strong performance from GGT's below-the-line consultancies.

Lloyds Chemists suffers a sharp rise in payroll costs

By David Owen

LLOYDS CHEMISTS, the UK's second largest retail chemist and drugstore chain, which has acquired a reputation for lean and careful management, suffered a sharp increase in payroll costs in its most recent year.

The group's wage bill rose by 30.8 per cent in the year to June 30, although the increase in the average number of persons employed – including the full-time equivalent of part-time employees – was only 14.1 per cent, according to the company's recently-published audited accounts.

Warwickshire-based Lloyds, which has expanded rapidly in a recession-resistant sector, attributed the differential to a change in the method of calculating full-time equivalents.

"In 1989 we assumed that a part-timer was half of a full-timer," said Mr Allen Lloyd, chairman and chief executive.

"Since then it was calculated that a part-timer was two fifths of a full-timer. The way we do it now is very accurate: part-timers normally do 15 hours," he added.

The company's wages and salaries bill for 1990 totalled £22.11m, with an average of 3,516 people employed. Corresponding year-earlier figures were £16.9m and 3,082 respectively.

Mr Lloyd's pay increased by 37.2 per cent to £145,659 in the period under review. He said that the previous payment of some staff at below industry-prescribed minimums had "no bearing whatsoever" on the increased wage bill.

Earlier this year, the group admitted that it had paid 23 staff at less than the minimum rate laid down by the Joint Industrial Council for Retail Pharmacy (JIC) for a period of some two years ending March 31 1989, and said that arrangements to make *ex gratia* payments were in hand.

Lloyds said that 65 per cent of its full time shop assistants were paid substantially more than the JIC minimum.

The accounts also show that the previously-announced revaluation of chemist store licences has added £10.11m – or some £29,000 per outlet – to the company's tangible fixed assets.

Mr Malcolm Robertson, of valuers and surveyors Ellicott Son & Boyton, explained that the firm had provided valuations of Lloyds branches both for their existing use as licenced chemists and for any other use.

"Lloyds has inferred from the two valuations that a value of £10.1m can be attributed to the licences," he said.

One of the effects of the revaluation was to cut year-end gearing to 86 per cent. Without it, gearing would have stood at 174 per cent.

In October, Lloyds reported a 33 per cent advance to £13.61m in annual pre-tax profits on turnover ahead 21 per cent at £179.9m.

In May, it bought Cross & Herbert, the seventh largest chain, for £23.2m, adding a further 74 outlets to its portfolio. The licence value of these premises has not been revalued, the accounts state, "as the directors consider it appropriate for these premises to trade under the ownership of the group for a period of time."

NEWS DIGEST

Wholesaling side sold by Devenish

JA DEVENISH, the West Country brewer, is to sell its Canonbury and Seligman drinks wholesaling businesses for £15m to Free Traders, a company run by Mr David Fisher, former marketing director of Dee Corporation, writes Philip Rawstorne.

In the year to September 30, Canonbury and Seligman reported pre-tax profits of £1.28m on turnover of £27.8m. The value of fixed assets and stocks at the end of period amounted to £3.5m.

Devenish will subscribe £4.5m for a 30 per cent stake in Oval (667) the holding company of Free Traders. Swiss Bank Corporation will subscribe £3m for a 19.9 per cent stake. Devenish will also make available a secured loan of up to £1.75m to Free Traders.

Graig Shipping

Graig Shipping, the Cardiff-based group which also has interests in oil and gas exploration, reported a drop from £1.64m to £665,762 in pre-tax profits for the half year to September 30.

Turnover was lower at £15.09m (£17.37m). Earnings per share fell to 4.3p (10.6p) and the interim dividend is halved to 1p.

Fleming Claverhouse

Fleming Claverhouse has launched the first debenture issue by an investment trust since November 1989.

Investment trusts, unlike unit trusts, have the ability to "gear up" by borrowing to invest in shares. This allows their assets per share to grow faster when stock markets are rising but also creates the possibility that the assets per share will fall more quickly when markets are falling.

The £5m issue is repayable in 2006 and carries a coupon of 11 per cent. The gross redemption yield, at the issue price of £93.893 is 11.836 per cent.

Bodycote Intl

Bodycote International, the metal technology, packaging and textiles group, has sold its Skelmersdale subsidiary for £11.83m as part of its drive to re-deploy its resources in the expansion of its metal technology division.

Skelmersdale, a corrugated sheetboard manufacturer which was acquired by Bodycote for £4.9m in January 1987, formed a substantial part of the company's packaging division.

The buyer is Bux Corrugated Containers, a subsidiary of Danisco, the Danish packaging company, which is paying Bodycote £6.83m cash. Bodycote also received a dividend of a further £5m.

Harcourt

Harcourt Group, a distributor of cookware, foil containers and rigid foam products, recorded a £192,000 loss during the six months to September 30.

The company, formerly known as Thorpac, had warned in August that it might fall into the red. The corresponding pre-tax profit last time was £1.78m.

Turnover declined marginally to £15.09m (£16.08m). The loss per share was 1p, against earnings of 2.9p.

No interim dividend (0.6p) was declared.

The group said that it did not now expect to be profitable in the second half.

CRT Group

CRT Group, the training, recruitment and consultancy company, has agreed to pay £2.2m for Pitman Training Group, which offers training in secretarial and office skills, English and computers.

The acquisition of Pitman, which employs 153 full-time and 58 part-time staff, continues CRT's transformation of R Smallshaw (Knitwear), the textile manufacturer and dyer into which it reversed last December.

McInerney Props

McInerney Properties, the Dublin-based building and property development company, is withdrawing from commercial property development in an effort to stem losses and cut debts estimated at between IE50m and IE60m (£46m–£56m).

McInerney is involved in eight large-scale property developments in the UK. Under group proposals creditor banks will take over the UK properties, reducing debts by IE20m.

Vista Entertain

Taxable losses at Vista Entertainments, the Third Market-quoted club operator, increased from £245,000 to £575,000 in the six months to end-September.

The company has exchanged contracts for the sale of Manchester Theatres to Apollo Leisure (UK) for £3.85m; Apollo will also assume about £2.1m of medium-term debt.

The loss per share was 0.6p (0.27p).

Booth Industries

Booth Industries, which is engaged in structural steelwork and engineering, increased profits from £352,000 to £376,000 pre-tax for the six months to September 30. Turnover of £16m compared with £14.19m.

Earnings rose to 6.12p (5.72p) and the interim dividend is maintained at 0.7p.

Melville Street

Melville Street Investments, a development capital company, increased revenue before tax from £512,00 to £559,000 in the six months to October 31.

Net asset value per share which stood at 160p at April 30, had fallen to 147p at October 31 compared with 145p a year earlier.

Earnings per share were 2.24p (2.06p). The interim dividend is raised from 1p to 1.5p.

Danbury Group

Like many property companies, Danbury Group has suffered through the necessity to write down the carrying value of its properties to reflect the current depressed state of the market.

Taking the £1.94m (£600,000) write-down as an exceptional debit drove this USM-quoted company into pre-tax losses of £2.29m (profits £470,000) in the six months to September 30.

Turnover was down at £2.64m (£3.46m) and the loss per share came to 22.5p (earnings 4.08p).

Circaprint

Circaprint Holdings, which ran up a loss of £896,000 for the opening half of the 1989-90 year, finished the 12 months to end-August £2.47m in the red, before exceptional items.

The loss, which compared with previous profits of £510,000, was struck from turnover £1.39m lower at £12.83m. The dividend for the year is omitted (2.4p).

Exceptional provisions of £837,000 were offset by a tax credit of £407,000 (£190,000). Losses per share emerged at 45.6p (earnings 13.3p). There was an extraordinary debit of £542,000. The USM-quoted group manufactures printed circuit boards.

Cadmium prices triple as consumer stocks dwindle

By Kenneth Gooding, Mining Correspondent

CADMIUM's price virtually tripled in three trading days as producers and consumers meeting in Rome last week concluded that the outlook for the metal was much healthier than predicted as recently as September.

The free market price of cadmium soared from US$1.15 a lb to $3 and Mr Nick French of Wogen Resources, the London-based trading group, suggests that this jump is probably unprecedented, even in the very volatile world of minor metals.

Cadmium, produced entirely as a by-product of zinc mining, is highly toxic and environmental pressures cut sales substantially before demand for nickel-cadmium batteries took off. These now account for about two-thirds of total cadmium consumption.

Nickel-cadmium rechargeable batteries are used in various portable electrical gadgets such as video cameras, computers, telephones and so on.

Driven by nickel-cadmium battery demand, the cadmium price bolted from below $2 a lb to touch $12 during 1988 and persuaded the principal consumers in Japan to build strategic stockpiles.

The steep price drop this year – cadmium averaged $7.03 a lb in 1988 and $6.13 in 1989 – seems to have been partly caused by consumers living off those stocks. However, that de-stocking process has now come to an end and Mr Murray Cook, director of the Cadmium Association, suggested yesterday: "A true pattern of consumption is now beginning to emerge".

He said that at the association's meeting last week it was widely felt that the fall in demand for cadmium caused by substitution of other less toxic materials in traditional uses – such as plating, pigments and stabilisers – had more or less come to an end.

Proposed legislation in the western world looked likely to exempt from restrictions any end-uses for cadmium where no suitable substitutes could be found, for example the use of cadmium coatings on components used in the aerospace and defence industries.

Mr Cook said that, while production in Japan and North America was falling this year, possibly by more than 10 per cent, consumption continued to be buoyed by battery production. Output of nickel-cadmium batteries in Japan – which accounts for about 75 per cent of the world market – was up by 10 per cent in the first eight months of 1990.

The association predicted that Japanese nickel-cadmium battery production would exceed 550m ampere hours this year against under 510m ampere hours in 1989. The two biggest producers – Sanyo and Matsushita – between them accounting for more than half the world market, planned to boost capacity by at least 20 per cent in 1991.

MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market 99.6 per cent, $ per tonne, in warehouse, 1,630-1,670 (same).

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse, 3.75-3.90 (same).

CADMIUM: European free market, min. 99.5 per cent, $ per lb, in warehouse, 3.00-3.20 (1.35-1.55).

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 13.00-13.50 (12.30-12.90).

MERCURY: European free market, min. 99.99 per cent, $ per 76 lb flask, in warehouse, 155-165 (same).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 2.55-2.65 (2.52-2.60).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.80-5.40 (same).

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit (10 kg) WO_3, cif, 37-49 (same).

VANADIUM: European free market, min. 98 per cent, $ a lb V_2O_5, cif, 2.35-2.50 (2.25-2.45).

URANIUM: Nuexco exchange value, $ per lb, U_3O_8, 11.45 (same).

Technical hitches again put off Cominco lead smelter's opening

By Bernard Simon in Toronto

THE START-UP of Cominco's trouble-plagued new lead smelter at Trail, British Columbia, has again been delayed.

Commissioning of the smelter, which was due to come on stream by next March, has now been postponed indefinitely pending the outcome of tests at a plant using the same process – known as QSL – at Stolberg, in Germany.

The tests will take place early next year and be conducted by Lurgi, the German engineering group that supplied QSL smelter technology.

The Trail plant, which is one of the world's biggest lead smelters, was designed to be fuelled by natural gas, while the process originally developed by Lurgi is based on pulverised coal. One of the snags has been a high-temperature concentration of gas where it enters the reactor.

Modifications to the smelter, which include facilities to use coal or coke as well as gas, have been halted until the tests are completed. However, Cominco did say that some engineering work would continue.

The smelter was closed down within months of being brought into operation last December. At the time, Cominco said that changes were required to the reactor and drossing plant as well as to slag granulation, boiler and ventilation equipment.

Cominco said that it will continue to use the old smelter at Trail, which is operating at about 80 per cent of previous capacity levels. Cominco produced only 47,800 tonnes of refined lead in the first nine months of this year, compared to 85,800 tonnes a year earlier. The new smelter was due to produce about 140,000 tonnes by 1992.

● Samuel Montagu and Sharps Pixley have quit as platinum market makers in London. Consequently, from January Crédit Suisse London will co-chair the twice-daily London platinum and palladium price fixing sessions with Ayrton Metals. There remain another four members of the "fix", conducted over the telephone. They are: Engelhard Metals, Mase Westpac, Swiss Bank Corp and Union Bank of Switzerland.

LME WAREHOUSE STOCKS
(As at Monday's close)
tonnes

Aluminium	+3,100	to 300,650
Copper	+1,900	to 166,975
Lead	+14200	to 55,750
Nickel	−594	to 2,514
Zinc	−850	to 53,000
Tin	+605	to 19,380

Acrid fumes from Chile's iodine industry

Lesley Crawford looks at the actions of a big but antiquated producer under pressure

SOQUIMICH (Sociedad Quimica Minera de Chile), which is the world's largest iodine producer, can claim only a pyrrhic victory after a year's bitter price war against its Japanese rivals.

After flooding the market with iodine, Soquimich began an aggressive price cutting campaign to increase its share of world trade. The company says that its annual sales of 4,000 tonnes give it a market share of just over 30 per cent.

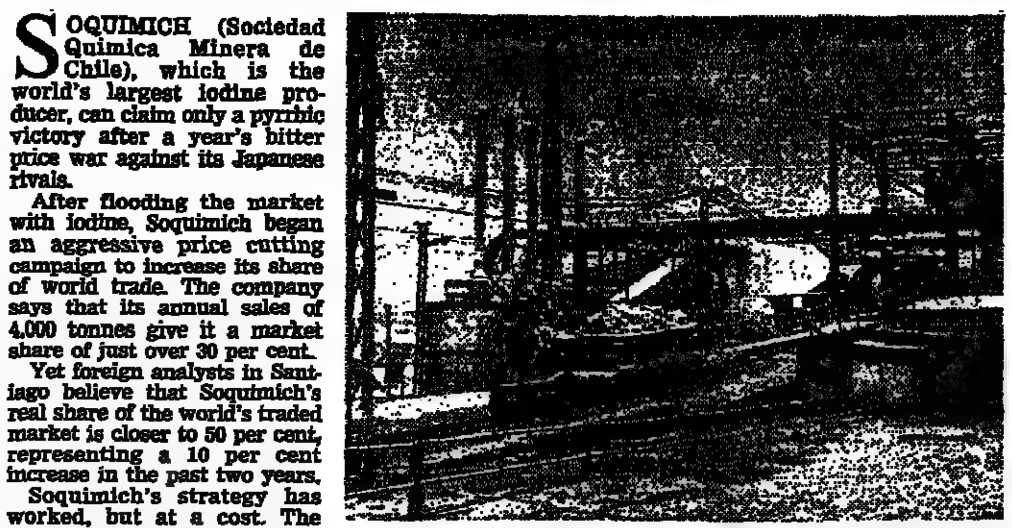
Yet foreign analysts in Santiago believe that Soquimich's real share of the world's traded market is closer to 50 per cent, representing a 10 per cent increase in the past two years.

Soquimich's strategy has worked, but at a cost. The price of iodine has plummeted from $18 a kilo to $12.5 a kilo; there are now 1,500 tonnes of excess stocks although global consumption rarely exceeds 13,000 tonnes a year. Moreover, Soquimich has had to lay off 1,100 workers, half of its iodine plants lie idle and the price of the company's shares has collapsed on the Santiago Stock Exchange.

However, Soquimich does not appear to be licking its self-inflicted wounds.

Mr Patricio Contesse, Soquimich's general manager, says that part of the price slashing has been aimed at discouraging new competitors from entering the market. "We have been aggressive in our price cutting because we have the best comparative advantages to produce iodine in the world", he says.

When the price reached $20 a kilo in 1988, several mining companies started looking at iodine projects in Chile. The prospects look less attractive now, although Northern Lily Mining of the US is still planning to go ahead with a $50m project near the northern port of Taltal.



Soquimich: ore being conveyed to a 1930s crushing plant

Only then will Soquimich's comparative advantage be put to the test. Northern Lily will be investing in the latest technology, while Soquimich is still labouring with 60-year-old plant and machinery.

Having seen the writing on the wall perhaps, Soquimich has launched a $238m investment programme to replace machinery and equipment over the next five years and modernise its 100-year-old railway and port facilities. Almost half the money will be channelled into research and development and into new product lines, such as ammonium nitrate, boric acid and potassium perchlorate, a chemical used in space missions and solid fuels.

The changes will also herald the demise of Maria Elena and Pedro de Valdivia – the last two nitrate mining towns in Chile. Over 160 of these camps, *or oficinas*, dotted the Atacama desert at the beginning of the century, when Chile's wealth was based on the export of natural nitrates.

The nitrate business was ruined by the invention of artificial fertilisers and Maria Elena and Pedro de Valdivia are the only living relics of this past. The twin towns – 200km north-east of Antofagasta – have been kept alive because 60 per cent of Soquimich's revenues still come from the sale of natural nitrates.

Little there has changed in the past 50 years. The rows of low-terraced houses, little more than shacks, date back to the days when the British ran the mining camps. Everything is covered in a thick layer of red dust and the skin burns from the acid fumes belching from the iodine plants. People are born and die here. Everything revolves around the company.

Some 4,500 miners labour in a desert landscape where temperatures rise above 40 degrees Celsius during the day and fall below freezing at night. They earn on average $150 a month. Less than 100 km away, their colleagues at the Chuquicamata copper mine are paid wages of $800-$1,000.

The 19,000 inhabitants of Maria Elena and Pedro de Valdivia are in a state of shock. Soquimich has fired 1,100 workers and has announced plans to close down the towns.

Mr Contesse says he can no longer afford to run them, and that the lay-offs reflect leaner times and the company's drive to cut costs and raise productivity.

However, the unions see political motives behind the mass sackings. Mr Julio Ponce Lerou, Soquimich's president, also happens to be Gen Augusto Pinochet's son-in-law, and the management offices at Maria Elena still display photographs of the former military dictator.

Mr Francisco Cañete, a union leader at Pedro de Valdivia, says: "Ponce Lerou was here just before the December elections and openly threatened that if (Patricio) Aylwin won, we would suffer the consequences". Mr Aylwin polled 70 per cent of the votes in the district and Mr Cañete believes that they are now paying for this act of defiance.

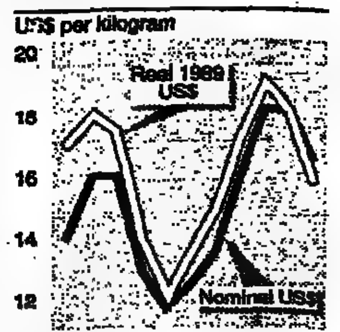
Mr Eduardo Bobenrieth, Soquimich's former general manager, goes further: "The company's directorate is packed with supporters of the former military regime, and the sackings are a deliberate intent to destabilise the new democratic government", he said.

Mr Cañete says that labour relations have reached rock-bottom. He has sent five letters to management asking to discuss the future of the towns and the workforce. All have gone unanswered. He says the unions are not opposed in principle to moving their families to Antofagasta, but their wages would have to rise dramatically in compensation. The mining boom in the region has made Antofagasta Chile's most expensive city. There is also a serious housing shortage in the region.

Mr Contesse replies: "The wages will be set by the market: the families have become too dependent on the company, although I realise changing the habits of a lifetime can be traumatic". He says the towns will not be shut down immediately, but over a period of five, perhaps 10 years.

Labour relations have also been soured by an acrymonious power struggle for control of the company. When Soquimich was privatised, its workers began to receive shares in lieu of productivity bonuses. They quickly built up a sizeable stake in the company, and in 1985 decided to set up an investment company called Pampa Calichera, using their existing shares as collateral for loans to buy more Soquimich shares.

Iodine



Pampa Calichera soon controlled 20 per cent of Soquimich. Mr Ponce Lerou felt his position in the directorate was threatened and earlier this year the company's executives organised a takeover of Pampa Calichera using a front company, known as Inversiones Oro Blanco.

The unions claim that the workers were duped into exchanging their shares in Pampa Calichera for some cash and shares in the management-controlled Inversiones Oro Blanco.

The legality of the proceedings was never clarified, but the outcome is a cautionary tale of greed, power and the shortcomings of popular capitalism.

One foreign mining expert in Santiago says: "The workers at Soquimich were the strongest supporters of the company's privatisation: they have now been robbed of their shares and are being fired for the faith they placed in the company. It stinks."

Indian tea production close to target

INDIAN TEA production to the end of October this year is estimated to be 32.4m kilos ahead of the corresponding first 10 months of 1989, in spite of a production setback in the Assam valley, writes Kunal Bose in Calcutta.

It is now reckoned that India will finish the current year with a crop of 710m-715m kilos compared to the target of 720m kilos and last year's actual production of 684.1m kilos.

As the winter has set in early in the Assam valley, which accounts for about half of India's tea crop, plucking in the remaining weeks of the season will not be satisfactory, according to Mr Dipak Roy, chief executive officer of the Assam Frontier group of tea gardens.

Not only is tea production down, but the quality of the crop this season is nothing special. Quality has suffered as garden managers were in no position to enforce discipline in the face of United Liberation Front of Assam terrorism.

Production in the Assam valley in the first 10 months at 299.8m kilos is 3.2m kilos less than in the corresponding period of 1989. The rest of north India had up to the end of October produced an additional 19.4m kilos.

Of all the tea growing centres in the north, Dooars in west Bengal has given the best performance with production at 105.8m kilos showing an improvement of 11.1m kilos. At 10.8m kilos, Darjeeling has also shown marginal improvement.

South India which last year suffered a production setback of 20m kilos at 151.8m kilos has bounced back this year. Combined production of tea estates in Tamil Nadu, Kerala and Karnataka through October is 139.9m kilos, up 16.6m kg.

A noticeable feature this year is that ctc tea output, mainly consumed domestically, has risen by 42.9m kg to 480m kilos. Output of exportable orthodox variety has declined by 10.3m kg to 128.9m. Other varieties at 5.8m kilos have recorded a marginal decline in production of 200,000 kg.

Brazil cocoa exporters welcome Soviet interest

BAHIAN cocoa prices are getting a boost from the possibility that the USSR will soon return to the Brazilian market as a large purchaser, writes Victoria Griffith in Sao Paolo.

The two governments are in negotiations over the export of more than 1m sacks to the USSR. In return, Brazil would agree to import Soviet products such as chemicals.

The USSR purchased 1,041,000 sacks of the 1989-90 harvest in Brazil before the country's financial crisis forced it out of the market in May. As last year's Bahian harvest ammounted to 5.4m sacks, 4.7m of which were exported, the Soviet presence is critical.

"If the deal is clinched, the impact on cocoa prices could be strong", Mr Luiz Pedrao Rio Branco, president of the Brazilian Association of Cocoa exporters, said. Exporters believe the USSR's departure from the market contributed to falling prices this year. So far, the effect of the USSR's renewed interest has been limited to the internal market.

Mr Rio Branco warned, however, that even a sizeable Soviet purchase would not solve all the difficulties due to the fall in world prices.

WORLD COMMODITIES PRICES

MARKET REPORT

Lead prices fell sharply in morning trading on the LME after the exchange's early correction of its level of stocks from a minor decline to a large rise, traders said. Three-month metal touched a low of £322 a tonne after the LME revised its original report from a 550-tonne decline in stocks to a 14,200-tonne increase. Stocks are now at their highest since January 1989 in the face of a decline in demand. Nickel closed at the day's highs as a short covering rally gathered momentum. London cocoa prices fell sharply in continued heavy technical selling following Monday's steep decline in New York. "The charts look very weak, which has attracted a lot of computer-fund selling, and there is a lot of pressure still on New York and London. But it all is technically-based - there doesn't appear to be any new physical cocoa which has entered the market," one London trader said. Traders were predicting further falls today in London. "New York has been trying to bounce back but so far the rallies haven't been very convincing. And the longer it takes to recover, the more likely it is to slip down further," another trader said.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$21.85-1.72x	-.30
Brent Blend (dated)	$27.40-7.55	-.475
Brent Blend (February)	$25.80-5.90	-.275
W.T.I. (1 pm est)	$26.35-6.40x	-.19
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$250-253	+0.5
Gas Oil	$262-264	-3.0
Heavy Fuel Oil	$138-140	+1.0
Naphtha	$263-265	-1.5
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$376.95	+0.25
Silver (per troy oz)♣	396.50c	+1.50
Platinum (per troy oz)	$413.75	-2.75
Palladium (per troy oz)	$88.20	+0.60
Aluminium (free market)	$1540	+35
Copper (US Producer)	115⅜c	
Lead (US Producer)	50c	
Nickel (free market)	372c	+6
Tin (Kuala Lumpur market)	15.16r	-0.10
Tin (New York)	261c	-6
Zinc (US Prime Western)	70c	
Cattle (live weight)†	103.67p	-5.48*
Sheep (dead weight)†	137.43p	-9.04*
Pigs (live weight)†	73.67p	+0.80*
London daily sugar (raw)	$247.4w	+1.00
London daily sugar (white)	$306.5w	+5.20
Tate and Lyle export price	£236.0	+0.50
Barley (English feed)	£112.5	
Maize (US No. 3 yellow)	£163.50	
Wheat (US Dark Northern)	£87	
Rubber (Jan)♥	50.25p	+0.25
Rubber (Feb)♥	50.50p	+0.25
Rubber (KL RSS No 1 Jan)	236.5m	-0.50
Coconut oil (Philippines)§	$325.0z	-15.0
Palm Oil (Malaysian)§	$330v	-30
Copra (Philippines)§	$240.0t	+7.50
Soyabeans (US)	£140.5	+0.50
Cotton "A" index	84.20c	-0.25
Wooltops (64s Super)	414p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Nov/Dec. t-Feb. v-Jan. w-Dec/Jan z-Jan/Feb. x-Mar. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
Mar	216.60	216.20	217.80	214.40
May	218.60	218.00	219.60	218.60
Aug	222.20	222.40	223.00	
Oct	222.00	222.00	223.00	
May	226.00	..	223.00	
White	**Close**	**Previous**	**High/Low**	
Mar	302.0	303.5	303.0	302.0
May	301.0	302.0	302.0	

Turnover: Raw 729 (1601) lots of 50 tonnes. White 126 (271)
Paris- White (FFr per tonne): Mar 1588, Aug 1582, Oct 1484.

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low	
Feb	25.86	25.67	26.20	25.86
Mar	24.75	24.45	25.00	24.50
Apr	23.85	23.00	23.85	23.70
IPE Index	26.10	27.58		

Turnover: 4332 (10851)

GAS OIL – IPE $/tonne

	Latest	Previous	High/Low	
Jan	251.00	253.50	255.00	249.75
Feb	237.50	240.75	242.50	237.00
Mar	224.00	220.25	226.75	222.00
Apr	207.00	209.25	215.00	207.00
May	202.00	201.00	204.00	202.00
Jun	201.00	200.00	203.00	199.00
Jul	197.00	195.50	199.50	197.00

Turnover 5439 (8590) lots of 100 tonnes

JUTE
C and f Dundee BTC $515, BWC $525, BTD $450, BWD $460; c and f Antwerp BTC $490, BWC $500, BTD $435, BWD $435.
COTTON
Liverpool- Spot and shipment sales in Liverpool for the week ended December 14 amounted to 684 tonnes, against 290 tonnes in the previous week. Quiet trading persisted, with interest shown in Paraguayan and West African qualities.

COCOA – London FOX £/tonne

	Close	Previous	High/Low	
Dec	615	632	621	610
Mar	662	685	675	657
May	696	719	710	691
Jul	724	744	737	721
Sep	749	769	754	749
Dec	780	795	799	780
Mar	808	822	820	803

Turnover: 8284 (2318) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Dec 17 903.38 (915.49) 10 day average for Dec 18 921.28 (926.52)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low	
Jan	619	632	622	610
Mar	586	590	590	580
May	593	596	594	587
Jul	605	612	605	600
Sep	622	629	620	615
Nov	636		633	630
Jan	649		649	648

Turnover: 3079 (1881) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Dec 18: Comp. daily 73.51 (74.66). 15 day average 73.01 (72.84)

POTATOES – IPE £/tonne

	Close	Previous	High/Low	
Apr	133.5	133.5	134.4	132.0
May	154.0	155.5	152.5	151.0

Turnover 124 (323) lots of 40 tonnes.

SOYAMEAL – HI-PRO £/tonne

	Close	Previous	High/Low	
Feb	118.00	118.50	120.00	118.00
Apr	120.00	120.50	120.00	

Turnover 60 (95) lots of 20 tonnes.

FREIGHT FUTURES – BFI $10/index point

	Close	Previous	High/Low	
Dec	1460	1435	1460	1440
Jan	1475	1438	1475	1455
Apr	1375	1335	1375	1365
Jul	1088		1100	1090
Oct	1177	1170	1177	1175
BFI	1438	1437		

Turnover 282 (245)

GRAINS – IPE £/tonne

Wheat	Close	Previous	High/Low	
Jan	119.45	119.35	119.50	119.45
Mar	122.90	122.60	122.90	122.80
May	126.40	126.20	126.45	
Barley	**Close**	**Previous**	**High/Low**	
Jan	115.25	115.45	115.40	115.25
Mar	119.20	119.30	119.35	119.20
May	120.35		120.55	120.35

Turnover: Wheat 129 (180), Barley 166 (468).
Turnover lots of 100 tonnes.

PIGS – IPE (Cash Settlement) p/kg

	Close	Previous	High/Low	
Jan	90.5		90.0	88.0
Mar	95.0		94.5	
Apr	97.0		96.5	
Aug	99.0		98.0	

Turnover 25 (6) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 2,337 lots
Cash	1535-7	1517-22	1559	1539-40		
3 months	1565-70	1554-6	1577/1561	1572-6	1565-6	63,504 lots
Copper, Grade A (£ per tonne)						Total daily turnover 22,484 lots
Cash	1298-9	1294-5	1300/1298	1299-300		
3 months	1301-2	1301-3	1310/1295	1309-10	1299-300	113,492 lots
Lead (£ per tonne)						Total daily turnover 981 lots
Cash	312-4	318-20	316/312	311-3		
3 months	326-7	331-2	333/322	325.5-6	327-8	12,292 lots
Nickel ($ per tonne)						Total daily turnover 2,871 lots
Cash	8050-100	7800-50	7975	7970-5		
3 months	8075-100	7840-50	8100/7925	7975-8000	8075-100	8,614 lots
Tin ($ per tonne)						Total daily turnover 3,218 lots
Cash	5845-55	5730-5	5880/5855	5855-60		
3 months	5755-60	5820-30	5800/5750	5760-5	5770-5	9,534 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 5,046 lots
Cash	1255-62	1260-5	1255	1254.5-5.5		
3 months	1258-602	1260-2	1260/1258	1254.5-5.5	1266-7	10,589 lots

LME Closing £/$ rate:
SPOT: 1.9348 3 months: [illegible] 6 months: [illegible] 9 months: 1.8850

[illegible] – London FOX

	Close	Prev.	High	Low	Vol
Indx	158.00	155.20			
Feb	159.60	158.00	59.50		98
Mar	159.40	158.00	58.50		20
Jun	159.40	158.70	58.30		102
Sep	159.40		57.80		102
Dec	159.20		57.60		96

LONDON BULLION MARKET
(Prices supplied by N.M.Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	376.70-377.20	
Opening	375.80-376.20	
Morning fix	376.00	194.647
Afternoon fix	377.40	194.988
Day's high	376.80-377.20	
Day's low	375.70-376.20	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	5.87	6 months	5.60
2 months	5.76	12 months	5.43
3 months	5.68		

Silver fix	p/fine oz	US cts equiv
Spot	205.05	396.50
3 months	211.85	403.85
6 months	218.55	411.85
12 months	230.95	426.65

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Jan	Mar	Jan	Mar
1500	59	94	5	25
1600	7	41	53	70
1700	1	14	146	141
Copper (Grade A)	**Calls**		**Puts**	
2400	115	142	4	62
2500	41	80	29	106
2600	7	53	95	169
Coffee	Jan	Mar	Jan	Mar
550	69	92	0	15
600	20	28	1	39
650	0	12	31	75
Cocoa	Mar	May	Mar	May
600	75	108	13	12
650	45	73	31	27
700	24	45	62	50
Brent Crude	Feb	Mar	Feb	Mar
2500	160		130	
2550				
2600				

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Dec	378.5	377.5	378.5	376.5
Jan	377.3	378.2	0	0
Feb	378.4	379.3	381.1	378.2
Apr	381.9	382.8	384.0	381.6
Jun	385.6	386.5	387.9	386.3
Aug	389.1	389.9	390.6	389.0
Oct	392.5	393.3	393.6	393.6
Dec	396.1	396.7	396.7	396.5
Feb	399.6	400.3	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Dec	409.7	410.2	408.7	409.7
Jan	409.0	410.6	413.0	407.5
Apr	414.5	416.4	418.0	412.5
Jul	418.0	420.6	422.0	418.0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Dec	396.0	395.6	395.5	393.0
Jan	397.6	397.2	0	0
Feb	400.2	399.6	397.5	397.5
Mar	402.6	402.4	403.0	399.5
May	408.2	407.8	408.5	404.5
Jul	413.5	413.1	413.0	410.0
Sep	418.8	418.5	418.5	417.0
Dec	426.3	426.1	426.0	423.0
Jan	429.2	428.1	0	0
Mar	434.4	434.3	433.5	432.0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Dec	111.90	111.85	113.10	110.70
Jan	111.20	111.10	112.50	110.50
Feb	110.10	110.10	111.30	109.40
Mar	108.40	108.50	109.90	107.40
Apr	107.40	107.50	109.00	107.10
May	106.30	106.40	107.30	106.00
Jun	105.20	105.35	106.40	105.30
Jul	104.10	104.40	104.80	104.80
Aug	103.40	103.70	0	0
Sep	102.70	103.00	103.40	103.00

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Jan	27.60	27.55	27.55	26.75
Feb	26.65	26.21	26.65	26.05
Mar	25.65	25.25	25.65	25.15
May	23.98	23.61	24.20	23.50
Jul	23.00	22.69	23.00	22.65
Aug	22.47	22.28	22.60	22.25
Oct	22.55	21.55	22.30	21.90

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Jan	7600	7473	7760	7460
Mar	7090	6960	7190	7000
Apr	6650	6530	6675	6550
May	6370	6230	6450	6320
Jul	6100	5965	6115	6050
Sep	6230	6115	6255	6230
Oct	6310	6195	6360	6310

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Mar	1158	1169	1223	1158
May	1198	1208	1260	1195
Jul	1240	1248	1293	1238
Sep	1280	1288	1325	1280
Dec	1320	1321	1340	1320
Mar	1355	1361	1374	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Mar	92.45	95.10	94.15	92.15
May	94.70	96.50	96.40	94.45
Jul	96.60	97.75	98.50	96.75
Sep	99.15	99.80	99.75	99.50
Dec	101.90	102.90	103.50	103.25
Mar	103.00	105.50	106.00	0
May	105.00	108.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	9.70	9.70	9.78	9.60
May	9.78	9.78	9.85	9.70
Jul	9.82	9.85	9.87	9.75
Oct	9.83	9.84	9.87	9.76
Mar	9.89	9.92	9.93	0
May	9.89	9.91	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Mar	75.55	75.98	75.72	75.30
May	74.60	75.33	75.40	74.50
Jul	74.45	74.82	74.97	74.27
May	67.00	66.75	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jan	109.50	104.00	109.50	102.50
Mar	109.70	104.70	109.70	103.05
May	110.50	105.60	110.50	104.00
Jul	111.25	106.65	111.25	105.70

INDICES

REUTERS (Base: September 18 1931 = 100)

Dec 18	Dec 17	mnth ago	yr ago
1716.8	1716.4	1708.4	1807.8

DOW JONES (Base: Dec. 31 1974 = 100)

	Dec 17	Dec 14	mnth ago	yr ago
Spot	123.69	123.64	123.47	128.28
Futures	127.01	126.23	125.81	130.05

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Jan	593/2	597/6	598/2	591/0
Mar	598/4	602/4	603/6	598/4
May	613/4	617/6	618/0	611/2
Jul	625/6	629/0	629/6	624/0
Aug	626/0	630/2	632/0	627/0
Sep	623/0	627/4	628/4	622/0
Nov	624/0	625/2	626/0	623/2
Jan	635/4	636/0	637/0	635/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Dec	21.00	21.22	21.16	20.94
Jan	20.99	21.32	21.28	20.96
Mar	21.33	21.67	21.65	21.33
May	21.58	21.96	21.86	21.58
Jul	21.69	22.11	22.00	21.82
Aug	21.75	22.05	21.95	21.75
Sep	21.66	21.95	21.90	21.65
Oct	21.65	21.85	21.80	21.65

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Dec	175.0	176.0	176.1	175.5
Jan	175.9	177.1	177.7	175.0
Mar	180.9	181.9	182.7	180.0
May	184.7	185.6	186.2	183.7
Jul	188.1	188.9	189.2	188.8
Aug	189.0	190.0	190.5	188.5
Sep	188.0	189.5	190.0	187.5
Oct	187.0	188.2	188.0	187.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	225/0	226/2	226/2	224/6
Mar	238/0	239/2	239/0	237/6
May	246/0	247/2	247/0	245/4
Jul	252/2	253/4	253/0	251/6
Sep	253/2	254/0	253/6	253/0
Dec	254/0	254/2	254/0	253/2
Mar	261/0	261/2	261/0	260/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	251/6	254/4	254/6	251/4
Mar	263/2	266/6	266/6	262/6
May	270/6	273/2	273/4	270/2
Jul	274/0	276/0	276/6	273/4
Sep	280/0	281/4	282/2	280/0
Dec	293/0	294/0	293/4	293/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Dec	80.95	81.10	81.20	80.92
Feb	76.87	76.87	77.10	76.75
Apr	76.80	76.87	77.00	76.75
Jun	74.62	74.72	74.80	74.60
Aug	73.00	73.07	73.15	72.95
Oct	73.02	73.07	73.15	73.02
Dec	73.75	74.00	74.00	73.75

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Dec	50.40	51.40	51.10	50.10
Feb	49.10	49.57	49.35	48.80
Apr	47.15	47.42	47.30	46.72
Jun	50.50	50.57	50.55	49.95
Jul	50.35	50.65	50.45	50.05
Aug	49.20	49.50	49.30	48.65
Oct	44.05	44.30	44.35	44.05
Dec	44.65	44.80	44.85	0

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	62.22	63.07	63.20	61.30
Mar	61.65	62.30	62.45	60.60
May	61.96	62.57	62.70	61.00
Jul	61.77	62.20	62.50	60.90
Aug	59.77	59.82	59.95	59.20

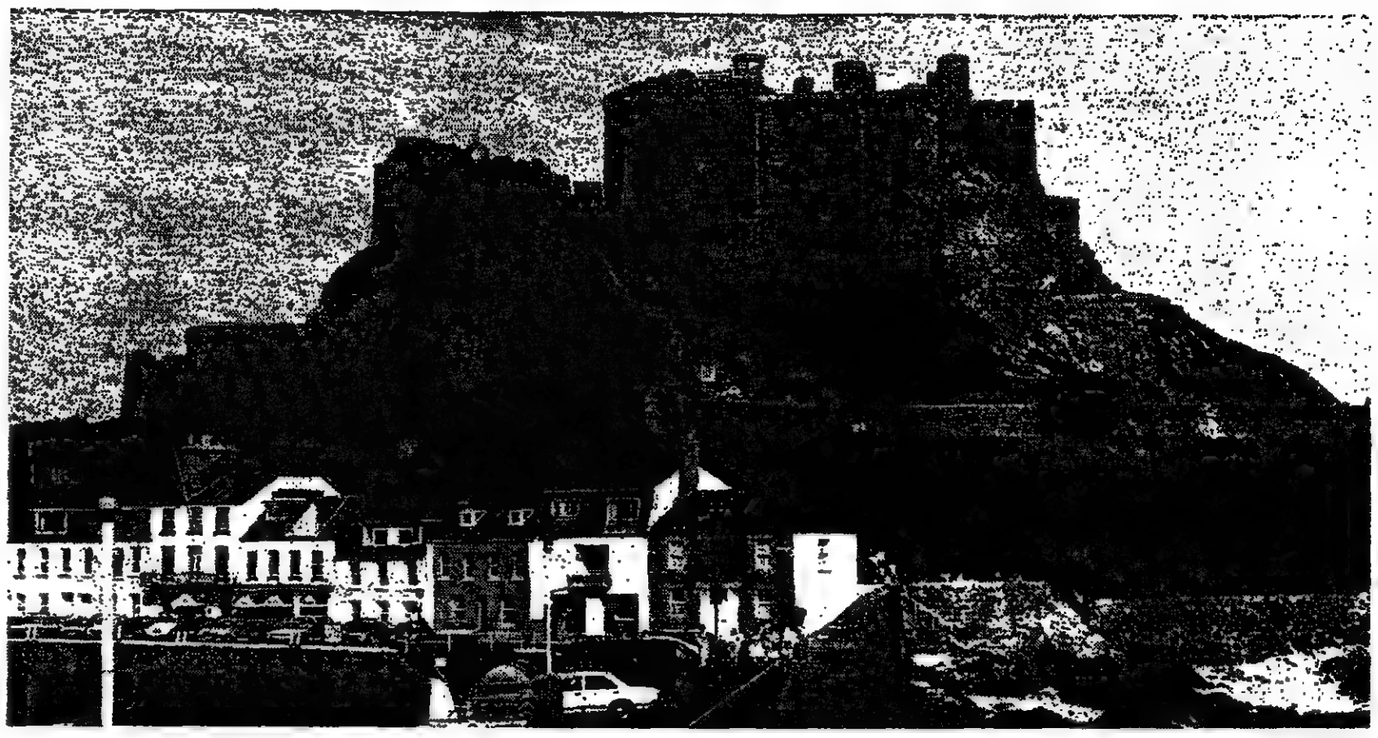
FINANCIAL TIMES SURVEY

THE CHANNEL ISLANDS

Wednesday December 19 1990

Offshore financial business can no longer be expected to gravitate so easily towards Jersey and Guernsey. The growth of specialist centres in the EC means that the Channel Islands may need to redefine their position as 'offshore Europe'. **Barry Riley** reports

Prosperous but cautious



Mount Orgueil castle overlooking the harbour at Gorey, Jersey

Alan Harper

AMIDST THE continuing prosperity of the Channel Islands there is just a hint of caution about the future. Jersey and Guernsey are becoming aware that offshore financial business will no longer gravitate naturally towards them quite so easily, and that they may need to raise their profiles.

Jersey has appointed external public relations consultants for the first time. "We haven't really been selling ourselves," says Senator Reg Jeune, president of Jersey's powerful Policy and Resources Committee. "We need to see that the right emphasis is being given."

In Guernsey, Mr Bruce Riley, chairman of the Guernsey Fund Managers' Association, says that the question of external promotion has been discussed by bodies such as the GFMA and the Guernsey International Business Association.

"At one level we need to decide whether we should promote a separate indentity from that of Jersey," he says. "But there is also the question of whether the Channel Islands should put forward an image in relation to Europe."

It is the growth of specialist European Community financial centres such as Luxembourg and Dublin that has served to focus attention on the strengths and weaknesses of the Channel Islands. Any loss of business has only been slight, mainly in the area of collective investment funds, but Jersey and Guernsey are faced with the need to redefine their position slightly as "offshore Europe".

But if a more serious recession lies ahead, at least the Channel Islands are going into it from a position of very considerable economic strength.

With virtually zero unemployment, and economic growth still probably running at 4 or 5 per cent until quite recently, the main problem has become the high inflation rate, which has topped 10 per cent this year in each island.

Because the Channel Islands are in monetary union with the UK they have been drawn within the exchange rate mechanism of the European Monetary System (though they are not themselves EC members).

So if pay rates continue to climb at 10 per cent a year (and actual earnings more rapidly) Jersey and Guernsey will lose competitiveness – in tourism and agriculture, and eventually in financial services.

But in tourism, forward bookings for 1991 are excellent in Jersey, and for the moment the economic policy emphasis is still very much on the prevention of overheating. Jersey continues to siphon off part of its buoyant tax revenues into a "rainy day" reserve which is expected to reach £160m by the end of 1991 (about £2,000 per capita).

Senator Jeune, retiring president of the Finance and Economics Committee, has been delinged by £140m of public sector capital spending applications for both 1992 and 1993, but is intending to hold the level somewhere near the £65m sanctioned for 1991.

Jersey's 20 per cent income tax rate is regarded as inflexible. "Therefore if we had any hiccup in the economy I wanted to be sure that we had a reserve fund." He adds proudly: "We haven't got a penny of debt."

But Guernsey's position is rather less comfortable. Islanders there were shocked last week by a tough annual budget statement, including proposals for steep rises in tobacco and spirits duties and vehicle licence charges. Guernsey has begun to dip into its own rainy day reserve, which anyway is much smaller than Jersey's.

The economic strategy in the Channel Islands is to maintain, if possible, a broad balance between the three main legs of the island economies, finance, tourism and agriculture.

In former years attempts were made to attract light industry, but labour is now too scarce and expensive for manufacturing to be healthy. Even tourism is dependent on imported labour, mainly from Portugal. Agriculture's contribution is economically fairly slight, but it remains important for social and environmental reasons.

The difficult part of the balancing act is how to control the tremendous growth of the finance industry, which last year contributed an estimated 42 per cent of Jersey's gross domestic product, and 44 per cent of Guernsey's.

An aspect of the budgeting debate in Guernsey is whether some of the restraints should be taken off the finance industry in an effort to lift tax revenues. But there are strong political objections to the increased immigration and environmental pressures that would be generated.

The earning power of financial companies is way above anything that can be achieved in other sectors. Jersey's banks and fund management companies achieved profits of over £50,000 per employee in 1989. The Channel Island governments are encouraging local financial companies to aim at high value added activities that can generate taxable profits without the need to raise the local labour force.

For some time there have been attempts to diversify the offshore finance activities by reducing the traditional emphasis on business deriving from the UK. For example, Jersey and Guernsey have discouraged their banks and building societies from advertising in mainland newspapers for tax-free deposits, for example (although Guernsey, at least, has now dropped this prohibition, in the wake of UK tax changes).

The growing detachment from the mainland as a source of business could be underlined if the UK government takes its long-expected action against the use of offshore trusts by UK residents to avoid capital gains tax.

But to the Channel Island communities the fact that more business is flowing from Asia Pacific and from continental Europe (where links with Switzerland are developing fast) is a positive sign. This is especially so bearing in mind the possibility that a less friendly Labour government might be elected in the UK within the next year or so.

Links with the powerful Japanese and German economies are, however, less strong than the Channel Islands would like.

The islands insist that they remain open to new business from such selected areas, but at the same time they are turning away other kinds of financial companies, especially those that would duplicate existing operations.

Explaining Jersey's controversial "zero job growth" policy, which is aimed at cutting increases in jobs from 800 a year in the 1980s to nil in 1992, Mr Colin Powell, economic adviser to the States, insists: "Whereas last year there was considerable fear among the financial community about the effect of the restrictive policy, now they find that there is considerable flexibility."

But the generally lower level of bureaucratic interference in Guernsey may give it certain advantages if conditions do become markedly tougher.

Mr Riley, formerly Guernsey's Commercial Relations Officer, a leading civil service post, remarks that 10 years ago the island's star bank was Manufacturers Hanover, which has markedly reduced the scale of its activities, and the star non-bank was Tektronix, a US-owned manufacturing business which finally closed earlier this year. "Government attempts to pick winners are frought with difficulty," he says. "If civil servants start interfering you are on a slippery slope."

IN THIS SURVEY

CHANNEL ISLANDS 2

BANKING

Emphasis on quality

THE Channel Islands have attracted many of the world's leading banks and intense competition ensures quality banking services for individuals and corporations.

The application of strict regulatory standards and the political stability offered by the islands are prime factors in gaining the confidence of both banks and their clients.

As Mr Martin Chambers, president of Jersey's Bankers' Association, pointed out: "How many places can you go in the world and be certain it is properly run and will be there in 10 years time?"

A notable recent development has been the arrival of UK building societies

The days of the indigenous bank are over and the Channel Islands are now trading up, he said. Over 80 per cent of the 60 institutions registered in Jersey have parents that appear in the top 500 world banks.

Deposits in Jersey's banks have resumed a strong upward trend in the past year or two, after pausing during the mid-1980s. Over the year to June 1990 deposits jumped by more than a fifth to £40.6bn, and there was a further rise to £42.1bn during the September quarter. There was speculation that Jersey branches of one or two banks with Middle Eastern connections, such as Standard Chartered, may have benefited from the flight of capital from the Gulf.

Although Guernsey's deposits are smaller they are also buoyant. From around £13bn at the beginning of 1990 they climbed to £15.5bn by the end of September as the full impact of the recent increase in the number of banks became apparent.

High sterling interest rates have encouraged many private investors to stay liquid, and interest rates have been rising for the D-Mark and yen. With stock markets around the world so uncertain, a lot of professionally-managed money is also sitting on the sidelines in bank accounts.

The islands' banks have much in common with each other and many offer private banking, trust and company administration, corporate banking, investment and offshore services for private and corporate clients. Banks say clients appreciate the concept of one-stop financial services institutions.

Private banking is on the increase for high net-worth individuals. It offers the client close personal contact with a banker who can advise on all aspects of his or her money management.

Jersey's regulation of undertakings law, to control immigration, has forced banks to be more selective in the types of business they handle as they shed or re-locate labour-intensive work.

Ashley Ashwood

Colin Powell, Jersey's economic adviser: highlights the rigorous regulatory requirements

While this is aimed at increased profitability, Mr Chambers has some reservations. "Development projects require greater commitment in the beginning and I hope we are perhaps not re-locating some of our future profitability at the same time," he said.

Regulatory requirements are high and even more rigorous than those laid down by the International Group of Ten Committee of Banking Supervisors.

Mr Colin Powell, Jersey's economic adviser, said the G10 minimum standard of 8 per cent of assets for core capital was an embarrassment for the island because in Jersey it already averages 15 per cent.

Mr Peter Crook, superintendent of banks in Guernsey, said the minimum standard in Guernsey is 10 per cent of assets.

Guernsey is keen to draw more "managed" banks to its shores, banks which have no physical presence but which are managed – almost like a large individual account – by banks already established.

The islands' authorities see this as a way to raise banking output without unduly increasing the pressure on limited staff resources and space, and managed banks have recently been arriving at the rate of one a month.

Jersey has five managed banks. Mr Powell said they will only accept branches of banks as it is important they are seen to be in a relationship with their parent that does not carry the responsibilities of a subsidiary.

Guernsey, which has issued 72 banking licences, will not approve any local bank in the future, only branches and subsidiaries of international banks. The island's Financial Services Commission does not tolerate large individual loans, which are only permitted if a transfer loan agreement is made with the bank's main office.

The island has no deposit protection scheme and Mr Crook sees no need for one. "Such schemes are basically to defend the weak and at the end of the day the depositor pays for them."

He said Guernsey's banks are large international banks so depositors do not need a protection scheme.

He sees the island as a deposit-taker and as three-quarters of funds taken there are routed to the London money market, it is a low-risk centre.

A notable recent development has been the arrival of UK building societies in the Channel Islands.

Deposits in Jersey's banks have resumed a strong upward trend in the past year or two

The two biggest, Halifax and Abbey National (the latter now actually a bank) have gone to Jersey. In addition there are five building societies operating in Guernsey; one acts in the local market and the others attract the expatriate market.

Limited staff resources have hampered the building societies' capacity to handle small accounts so the resulting average deposit is £25,000 and the societies rely heavily on information technology.

Transactions are discouraged. "We don't want these facilities used like bank accounts," said Mr Crook. He added that the performance of the building societies in Guernsey was still being assessed, and it was too soon to say whether building societies would prove worthwhile for the island.

The potential attraction of the building societies to the Channel Islands is that they have the ability to attract large volumes of savings from British expatriates around the world. This is especially so while sterling interest rates remain so high.

But Jersey and Guernsey regulators are much less keen on the idea that the offshore branches of building societies (or clearing banks, for that matter) should aggressively market tax-free deposits to mainland customers. The ending of composite rate tax in the UK, and the introduction of tax-free TESSA accounts, will in any case reduce the incentives for small mainland savers to go offshore.

Mr Crook said banking is on the increase in the Channel Islands and Guernsey has seen 17 new banks gain representation in the past 17 months, among them was Japan's second largest bank, Mitsui Taiyo Kobe. He said Guernsey only seeks institutions that will enhance the reputation of the island.

Sue Stuart

Guernsey: number of banks and deposits

Year-end	Number of banks	Deposits (£bn)
1980	43	1.8
1981	42	2.7
1982	41	3.3
1983	41	4.2
1984	45	5.8
1985	47	7.2
1986	52	9.5
1987	54	8.8
1988	56	10.2
1989	57	13.0
Sept 1990	70	15.5

Source: Financial Services Commission

Jersey: bank deposits

Year-end	Deposits (£bn)
1980	7.0
1981	13.0
1982	14.0
1983	18.5
1984	22.0
1985	24.0
1986	25.0
1987	28.0
1988	31.0
1989	40.4
June 1990	40.8
Sept 1990	42.1

Source: Economic Advisers' Office

INSURANCE

A captive audience

GUERNSEY has become a world leader in the offshore captive insurance market, second only to Bermuda. The island has attracted captives not only from Britain and Europe but from all around the world and as far afield as New Zealand.

The first captive set up in Guernsey in 1922 and is still in existence but the industry really got going in the mid-1970s. Since then, the number has steadily climbed, by about 18 new captives a year, to reach today's total of 187.

The insurance industry employs about 550 people in the island and in 1989 produced £376m premium income.

A captive insurance industry is set up as a subsidiary of its parent to underwrite some or all of the parent company's risks.

Corporations are realising the many advantages of having their own captive, which include: obtaining lower cost insurance, enhancing group profits, covering risks difficult to insure elsewhere, greater control over risk management and access to the re-insurance market.

A captive based in a low or no tax offshore location will benefit from faster accumulation of reserves in the jurisdiction where it is incorporated than if it was based in the jurisdiction of its parent.

The insurance industry employs about 550 people on Guernsey

Most captives are run by insurance managers and Guernsey has licensed 24 unrestricted managers and seven restricted managers. Unrestricted managers have several captives on their books, while restricted managers can only act for insurers specified in their authorisation from the island's Financial Services Commission.

Mr Steve Butterworth, Guernsey's superintendent of insurance business, said the island targeted captive insurance companies as a growth area because they need few human resources.

"There is considerable room for captives that don't need staff and at the moment I cannot see a cut-off point," he said.

Expertise built in this field in Guernsey since the 1970s is one of the main reasons the island continues to attract more captives, Mr Butterworth feels. Close proximity to the UK – Heathrow airport is only 35 minutes flying time – is also important.

Steve Butterworth: Guernsey targeted captive insurance as a growth area

Unlike Bermuda and the Isle of Man, where there is no tax on insurance companies, Guernsey levies a small tax. This, Mr Butterworth said, was not a deterrent as "the total cost of the operation is no different. But the perception is and some companies like to be seen to pay tax."

Mr John Parkinson, managing director of International Risk Management, agreed that some companies want to pay tax for political reasons.

"One challenge from the Revenue has been that a captive was formed off-shore to avoid paying tax," he said. But he felt some business was lost to the island because of the tax levy.

However, the tax is minimal and companies can choose one of two methods of payments:

- 20 per cent of net profit – this can be postponed and payment is triggered when claims are paid and a drawback made into profits from reserves
- Sliding scale exempt method, which creates a tax liability of maximum £60,000 – tax of £1,000 per £1m on investment income on shareholders' funds.

There is a registration fee, payable to the FSC, of £1,300.

The commission requires an insurer has minimum share capital of £100,000. Mr Butterworth said some members of the industry would like to see this increased to £350,000 to enhance the island's good reputation.

A minimum solvency margin is set at 18 per cent of the first £5m of net premium income and 16 per cent thereafter. The 75 per cent of assets needed to maintain the minimum solvency margin must be approved by the commission.

Each insurer has to submit annually the audited accounts, a declaration by the general representative and a business plan.

The business plan is formulated by the company and the company must be notified of any changes in it.

Mr Parkinson said the regulations governing the industry were "fair, proper and provide a good framework within which to work".

They were originally drafted by members of the industry who were pressing for a stricter regime.

In such a close community it tended to be a self-regulatory industry. The reputation of one affected the reputation of them all and "the managers don't want any unsavoury characters here", said Mr Butterworth.

He added that information-sharing between regulators in different jurisdictions was on the increase and plans were being discussed to set up an international data base for this purpose.

The managers market their services individually and collectively and Guernsey held its second international captive forum this year and plans others.

Unlike Bermuda and the Isle of Man, Guernsey levies a small tax

Seventy-five of the island's captives have British parents, such as Beecham, Barclays Bank, Midland Bank and electricity and water companies.

The largest is Polygon, set up in the 1970s by a group of leading European airlines, including KLM, SAS and Swissair.

Polygon began life as a pure captive and it now has some 30 people on its staff and is reinsuring 80 per cent unrelated aviation business.

The insurance market is soft at present and members of the industry say this is a good time to form a captive, to avoid the disadvantages of any future rapid change.

Sue Stuart

PENSIONS: the search for a new financial product may be over

Tax law points the way

THE Channel Islands are always looking around for new offshore financial products and services and they believe they have found one: the international personal pension plan.

At the beginning of this year Jersey passed new income tax legislation which permitted so-called Article 131(C) plans to be launched. Norwich Union, the market leader, has sold more than 1,500 contracts since March, running to £19m in single premiums and £3.5m in annual premiums.

Guernsey does not like to lag behind Jersey, but its parallel personal pensions legislation has been delayed by problems with unconnected clauses relating to domestic occupational pensions. However, it is hoped in Guernsey that the new laws will come into force early in 1991.

There are subtle differences between the approaches of the two islands. Both want to ensure they gain revenue benefits from the products channelled through them, but whereas Jersey has provided that the pension plans must be sold through a resident insurance broker, Guernsey is likely to impose certain modest charges more directly against the investments.

The variations may partly be explained by the fact that Jersey has no life assurance companies of its own, whereas Guernsey has several, including Sun Alliance International and Providence Capitol.

The idea of offshore personal pension plans, sometimes called international retirement annuities, is regarded by some as little more than a marketing gimmick. Such products mimic some of the structure of onshore pensions, but with no direct purpose.

The structure of mainland pension schemes is devised by taxmen in order to tilt the savings playing field in a particular direction, to encourage people to provide for their old age. But the whole point of an offshore financial centre is that there is no tax as far as non-residents are concerned. So why should expatriate investors want to entangle themselves with mainland-style restrictions?

One reason is that offshore savers may simply be comfortable with the kind of schemes they are familiar with at home. A more tangible possibility, however, is that if offshore plans are structured in the right way it might be possible to transfer them onshore.

As Mr Rodney Benjamin, a Guernsey partner in consulting actuaries Bacon & Woodrow puts it: "It may be possible to persuade overseas jurisdictions to allow tax relief." Indeed, it is thought that Botswana will now grant tax relief on Jersey's 131(C) contracts.

In the case of the UK, however, the tax authorities have been unhelpful so far. Some of the early Norwich Union sales literature suggested that an offshore plan might be switchable into an onshore personal pension contract. The Inland Revenue has rejected this.

Mr Peter Ellenger, sales manager in Jersey for Norwich Union, says that if a British expatriate returns to the UK the investments in the 131(C) plan will be liable to capital gains tax. The tax could be avoided by cashing up before repatriation, but this might contradict the notion of a lifelong pension plan.

Mr Ellenger insists that the Inland Revenue may yet relent. "It is still possible they may consider the plan being recertified as a mainland contract," he says. But nevertheless Norwich Union's marketing focus has shifted somewhat. "We are getting more business from foreign nationals and from people who have no intention of returning to the UK."

A shift of stance by the Inland Revenue in the UK may be necessary if offshore pension plans under the proposed Guernsey laws are to take off. "We are keeping an eye on the situation," says Mr Richard Mahy, marketing manager for Sun Alliance International, "but we do not anticipate that we will find the Guernsey legislation useful."

According to Jersey financial intermediary Mr David Spencer, of Actus, the volatility of sterling has proved a problem in selling sterling-denominated with profits plans to foreigners, but the UK's entry to the exchange rate mechanism may have reduced this obstacle.

"There is now the possibility of selling to Continentals," he claims. "These 131(C) plans are more attractive to foreign nationals than to UK citizens planning to repatriate." The profits structure is especially popular, accounting for some 90 per cent of the plans sold by Norwich Union.

Mr Ellenger of Norwich Union says that his company was considering a D-Mark-denominated plan but following ERM entry this idea has been shelved.

Offshore pension contracts are naturally much more flexible than their onshore equivalents, in aspects such as retirement age, cash commutation or the form in which benefits are received in retirement. They are not constrained by tax legislation.

The fact that they are being set up under Jersey (and soon Guernsey legislation) may give comfort to some of the planholders, but it is not clear that Channel Islands' plans offer anything that could not be found in other centres, where this particular kind of pension plan formula has not been seen as relevant.

The product that many international workers might really be enthusiastic about would be one that could be combined with mainland personal pension plans, ideally in different leading jurisdictions, so that contributions could be maintained through alternating spells of onshore and offshore employment. Neither island seems likely to be able to offer such a facility in the near future.

At any rate, Mr Peter Ellenger in Jersey appears to be unworried by the threat of rival schemes from Guernsey.

Barry Riley

CHANNEL ISLANDS 3

The offshore funds sector is still thriving, writes **Barry Riley**

Arrivals offset the doubts

A hint of recession is detectable in the still thriving offshore funds industry in Jersey and Guernsey.

The poor performance of the global equity market has inevitably dragged down the overall value of the funds under management, and has trimmed the income of the management companies. The lure of sterling interest rates running at 15 or 14 per cent all this year has encouraged many potential mutual fund investors to keep their money on deposit.

Moreover, the European offshore funds business as a whole is undergoing something of a geographical reorganisation, with the departure of certain Channel Islands funds to other domiciles, notably Dublin and Luxembourg.

But new collective funds continue to arrive regularly in Jersey and Guernsey, both open-ended schemes, better known as mutual funds or unit trusts, and the much less well-documented closed-ended funds, which are structured like UK-style investment trust companies.

The islands have the capacity to take on a lot more business

The bare figures for open-ended funds show that, in the case of Jersey, the number of funds fell by one to 169 during the quarter ended September, and the value (in what was a bad period for stock markets around the world because of the Gulf crisis) dropped from £6.7bn to £5.3bn.

Over in Guernsey the number of funds has continued to rise, reaching 147 at the end of September (and now over 150). According to Mr Nigel Taylor, the Guernsey Financial Services Commission's superintendent in charge of fund regulation there remains a two-month queue for authorisation, even in the difficult market conditions.

The net asset value of £2.9bn is lower than for Jersey. But Guernsey has more of the highly-regulated funds which are accepted by the UK's Securities and Investments Board for mainland marketing. Guernsey has some 50 of these Class A funds, whereas only 24 are in Jersey's corresponding Recognised Fund class.

In each island there is a substantial additional category of closed-ended funds, including various "country funds", emerging market funds and east European funds. But because these come under different legislation from the open-ended schemes accurate statistics are not maintained.

The fund management industries look forward to further growth, especially after the stock market begins to recover, but there is recognition that the political pressure in the Channel Islands for population control must be respected.

"The islands do have the capacity to take on a lot more business," says Mr Bruce Riley, chairman of the Guernsey Fund Managers Association and managing director of Guinness Flight.

"What we don't need is a large number of new institutions," he adds.

Thus fund companies coming to Guernsey are required to operate through one of a number of established fund administrators, often formerly departments of banks but now required to be separated by the regulators.

For example, Management International (Guernsey) is owned by Bank of Bermuda, and looks after 38 schemes (including closed-ended funds) worth some $2bn.

High value funds are still arriving, according to its managing director, Mr Christopher Wilcockson. "Guernsey has been very attractive for specialist funds which want to market to institutions," he says. "The market has changed here. We are seeing much more in the way of institutional products."

At nearby Guernsey International Fund Managers, a Baring Brothers offshoot, managing director Mr Jeffrey Burton also administers more than $2bn worth of assets, though for around 100 different entities, not all domiciled in Guernsey.

Such management companies often operate internationally, as has been demonstrated by GIFM's recent decision to set up a subsidiary in Dublin's new international financial services centre.

"We took a decision to go to Dublin rather than Luxembourg," says Mr Burton. "Then Barings decided to rationalise its funds. Twenty funds from five jurisdictions are being consolidated in Dublin from January 1." These include three funds transferred from Guernsey.

Channel Islands fund managers accept that Luxembourg and Dublin are better locations for retail funds that are to be marketed as Ucits (Undertakings for Collective Investment in Transferable Securities) within the European Community.

In Jersey, for example, Wardley – part of the Hongkong Bank Group – has packed its bags and gone to Luxembourg, and Fidelity has taken most of its funds off to the same destination.

But Mr Hugh Ward of Capital House, the Royal Bank of Scotland offshoot, who is deputy chairman of the Jersey Fund Managers Association, claims that the island is in "pretty good shape".

"The Channel Islands are attracting a lot of business in institutional funds and closed-ended funds," he points out. "There is scope here for specialist schemes such as mezzanine funds and venture capital funds. Luxembourg is not so good yet for this type of fund."

But retail fund management companies are often being forced to make some quite harsh choices. Robert Fleming, for example, has abandoned its Save & Prosper brand name for its Jersey unit trusts as part of an offshore reorganisation, and its Jersey office now reports to Luxembourg rather than to London.

"This is designed to eliminate double marketing," says Mr Trevor Falle, Fleming's marketing director in Jersey. Sales territories are now clearly divided up. "We now have a sterling base in Jersey and a non-sterling base in Luxembourg."

The fund management industry looks forward to further growth

It is the retail funds invested in equity markets which are under the greatest pressure. But elsewhere Mr James Jenkin, in Jersey's Commercial Relations Office, notes that specialist funds in, for example, oil or financial futures, or gold-linked funds, are more active.

"People are constantly inventive," he says. "There has been a lot of investment in these kinds of vehicles, with the stock market weak."

Jersey: open-ended collective funds (30/9/90)

Fund type	Value (£m)	Holders (000)
Gilt	687	77
Money Market	354	10
Bond	247	4
Commodity	21	1
North American	135	5
Far Eastern	133	3
Japanese	281	8
Australian	1	-
European	140	4
UK Equity	92	4
International	435	16
Multi-class	2,888	54
Feeder	46	2
Totals	5,327	168

Figures supplied by members of the Jersey Fund Managers Association

Number of registered companies at year end

	Guernsey	Jersey
1980	6,690	13,013
1981	7,295	15,210
1982	7,631	16,643
1983	8,036	18,142
1984	8,663	19,305
1985	9,279	20,546
1986	10,035	21,874
1987	11,106	22,999
1988	12,058	25,131
1989	13,059	26,399

Source: Jersey Statistics Digest and The Grafis

Unlike Bermuda and the Isle of Man, Guernsey levies small tax

REGULATION: the search for respectability. **Barry Riley** investigates

A haven for mainland supervision levels

THESE DAYS, offshore financial centres need to be respectable. So whereas once the whole point of offshore havens was that they were free of regulation, today they tend to boast the same kind of financial supervision commissions and extensive legislation as mainland jurisdictions.

One convenient side-benefit is that the regulators in places such as Guernsey and Jersey can turn out pages of statistics where once there were only guesses and evasions.

But it is not quite the same, of course, as being onshore. The regulations are not usually quite as tight, and there may be unregulated as well as regulated sectors. For example, what goes on in the shadowy offshore trust business in the Channel Islands is still largely unknown. There are also different categories of investment funds, some suitable for marketing in the UK and some not.

The history of the offshore finance industry in the Channel Islands is still quite short, going back to the 1960s. Originally there were significant numbers of purely local firms, sometimes of dubious reputation. The first phase of the regulatory process involved the gradual squeezing out of these offshore enterprises and the encouraging of respectable mainland institutions to set up in the islands.

In this way the Channel Island jurisdictions could effectively piggy-back on mainland regulators. Whichever banks or investment firms were authorised in the UK or the US or other well-supervised countries could safely be allowed to set up in the offshore centres.

An informal network of contacts between the onshore and offshore regulators has been established, so that information can be exchanged on a confidential basis.

For Jersey and Guernsey this approach has brought regulation on the cheap. But it is not always wholly satisfactory because it leaves the offshore centres still exposed to mainland inadequacies. Small problems onshore may translate into big problems for the offshore centres.

Fortunately for the Channel Islands the brunt of the Barlow Clowes scandal was borne by Gibraltar, but more recently this year's mainland bankruptcy of the British & Commonwealth Group has created problems. Investors in the Channel Islands have had substantial deposits (some £20m in Guernsey) frozen in the local subsidiaries of B & C Merchant Bank, which has been suspended for some months by the Bank of England.

In most circumstances mainland banks in leading jurisdictions can be regarded as safe, but at present the risks are unusually high. And the deposit insurance schemes which provide a safety net to mainland bank customers do not extend to Jersey or Guernsey. In non-banking business sectors the passage of the Financial Services Act 1986 in the UK posed a large challenge to the Channel Islands, and the islands have also needed to respond to the developing legislation of the European Community as it heads towards a single market in financial services.

But Jersey and Guernsey have adopted different structures. Jersey has been content to retain financial regulation within its civil service, but some three years ago Guernsey set up its separately-constituted Financial Services Commission. Elsewhere, the Isle of Man has also adopted the principle of a separate regulatory body.

Ashley Ashwood

John Roper: further snags over Japanese rules

Does Jersey need such a commission? "We haven't seen the need up to now," says Mr Colin Powell, economic adviser to the States and Jersey's top civil servant. "But that is not to say it won't happen at some time in the future."

An important question is whether adequately skilled staff can be attracted within civil service pay scales. This posed problems in Guernsey several years ago, but the GFSC was able to recruit outsiders at competitive rates, on the argument that it would be able to charge fees sufficient to cover its costs.

Indeed, in 1989 the fees it charged of £585,000 were just enough to cover running costs of £588,000, and taking into account other income the commission turned in a surplus.

Another point is that whereas Jersey has big banking and mutual fund sectors it does not have the third leg which Guernsey possesses in its offshore insurance business.

Guernsey regulators also argue that because they are slightly detached from the political and civil service framework practitioners are more likely to approach them for informal advice.

However, this points to a possible conflict of interest for offshore regulators. They are there to protect the reputations of the islands – but they are also expected to promote the narrow business interests of the island communities, effectively to help lift revenues, including the tax take, without raising the demand for scarce labour. They do not have a simple investor protection brief like that of the Securities and Investments Board in the UK.

A potential conflict has arisen, for example, over suggestions that certain banks should strengthen their management by appointing financial controllers. But this would mean that experienced mainland executives would need to be recruited and brought over – something to which the local politicians would be fiercely opposed.

In fact the regulators may actually be used to fight battles on behalf of the local financial communities. A good example is the long-running argument with Japan over whether Jersey and Guernsey funds are eligible for sale to Japanese citizens in the same way that, for example, Luxembourg funds are.

It has all hinged on an obscure Japanese rule that overseas funds must be domiciled in a member country of the Organisation for Economic Co-operation and Development (OECD). According to Mr Powell's recently-published annual report it has finally been established that Jersey and Guernsey are covered by the UK's ratification of the OECD Convention.

"With the benefit of this declaration negotiations are continuing to obtain the agreement of the Japanese authorities that Jersey mutual funds may be marketed to the residents of that country," says Mr Powell.

But according to Mr John Roper, director general of the Guernsey Financial Services Commission, a further snag is that the Japanese rules do not extend to an OECD member country's possessions. This would seem to rule out the Channel Islands if they were UK colonies, but technically they are not, being direct possessions of the Crown. So the legal arguments continue.

Another battle of recognition is being fought with Luxembourg over whether Guernsey A class funds, which are accepted by the UK as being covered by an equivalent level of regulation to similar mainland funds, should qualify for listing on the Luxembourg Stock Exchange.

Snags have been experienced by a Guernsey merchant bank in obtaining a Luxembourg quote for one of its funds, and Mr Roper has written to the Institut Monétaire Luxembourgeoise to seek clarification.

At any rate the regulators are now well entrenched, and are less unpopular than might be expected, given that these were previously free-and-easy financial centres. One Jersey financial intermediary, Actus, has joined the UK regulatory body Fimbra, one of only two Channel Island firms to do so.

This voluntary action adds credibility, says Mr David Spencer of Actus, and he is worried that local regulation does not yet extend to the financial intermediary sector.

ALDERNEY

Tentative steps on the path to a financial centre

THE TINY island of Alderney, just 3½ miles long, has set itself the task of becoming an international finance centre. But its government's aspirations are far more modest than those of the governments of its sister islands, Jersey and Guernsey.

Alderney is part of the Bailiwick of Guernsey and enjoys the same tax laws. However, it has to manage its own finances and, for the first time since the last war, is facing a budget deficit. Its main source of income, about £2½m, is income tax levied on individual residents, many of whom are retired and living off their investments.

Options for generating income are extremely limited in such a small space and where the population numbers just over 2,000 people. Hence, the decision to emulate its larger neighbours.

In fact, Alderney is already dipping its toes into the waters of offshore finance and several professional financial services can be found in the cobbled streets of St Anne, the island's small town.

The arrival of Portman Channel Islands, a wholly-owned subsidiary of Portman Building Society, in Alderney in October this year was much heralded by the local authority. The commitment by Portman, the 14th largest society in the UK, is hoped to encourage other reputable institutions to consider Alderney as their Channel Islands' base.

Portman offers accounts for local residents, expatriates and international investors from this offshore base. The office has two permanent personnel and a manager who visits once a week. This is very much the style of operation that Alderney is seeking.

Mrs Eileen Sykes, vice-president of the island's legislature, said: "Although we have very little unemployment we do have a pool of clerical staff and managers would have to be brought in to the island. We are seeking businesses that use communications technology and are not labour-intensive."

The building society is housed in Ollivier Court, a traditionally-designed purpose-built office complex in St Anne. Also housed in the 17 offices are a firm of lawyers, a corporate consultancy business and Mitchell and Partners, the estate agents handling the complex. Although it is a private development, the local authorities are keen to promote its occupation by financial institutions.

Just across the street are the offices of Dubarry Trustees, a firm providing trustee and financial services to a worldwide client base. Dubarry's parent company was established in Jersey 25 years ago but the need to expand led the company to open its Alderney office in 1988.

Ms Barbara Kalman, a lawyer and director of Dubarry, said the island is an efficient place to be based. "We only need the telephone, fax and a modem link and we can work worldwide," she said.

Another Alderney-based institution with clients worldwide is Guinness Flight and Calder. Mr Douglas Calder, a lawyer, spent 20 years in the Cayman Islands, where he was instrumental in those islands' development into an offshore finance centre.

He returned to Alderney four years ago and sees potential for the island in the financial services field. He said it has most necessary attributes, such as English language, political stability, decent legal system and geographical position. He said it needs new company and trust laws and a new court system.

"Alderney could attract first class trust, law and accountancy firms worldwide and cubicle banks that could be run by trust companies," he said.

The need for new company law is reiterated by Mr Roger Featherstone, an accountant in the Island since 1982. He pointed out it was possible for him to get a company in the Caribbean in a day but in Alderney it takes a week.

Options for the generation of income are extremely limited

Not everyone welcomes the prospect of expansion of financial services in the island. Mr Peter Nunn, who runs Ingham International, which handles international insurance, investment and financial planning, feels the sector is as big as it can ever be. He expressed doubts about the ability to put the required infrastructure in place and about staff recruitment, the latter because of the lack of residences.

However, Mrs Sykes said there was sufficient property available and no restrictions on residency. Prices for residential property in Alderney range from £100,000 to £500,000.

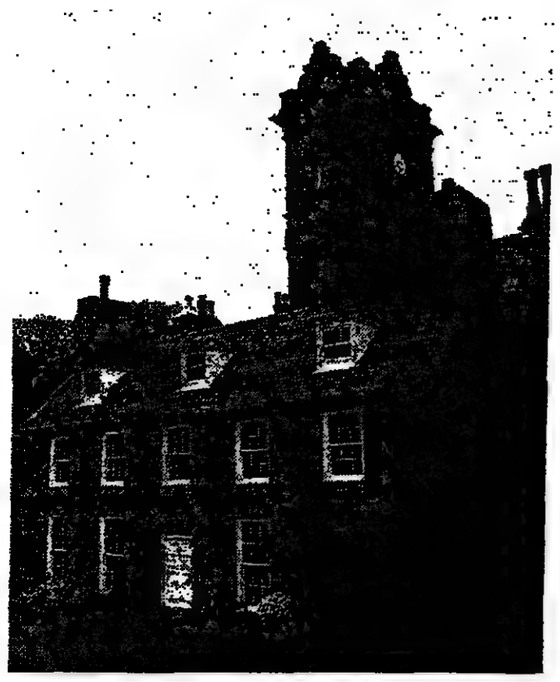
It is doubtful whether such a small community, where business life revolves around the local shops, three farms and a fishing fleet of nine boats, could withstand the culture shock of a full-blown financial services sector in its midst.

But limited expansion in the type of services already successfully operating in Alderney could generate sufficient income to ensure a healthy internal budget for the island, while retaining its charm and quality of life. It is these two latter attributes that attract the retired island residents whose income tax constitutes such a large portion of Alderney's income.

Sue Stuart

An expertise in the field of trust and company administration underpins the financial sector

Discretion is the better part of value



The home of the ruler of Sark where the lordship is hereditary

UNDERPINNING the Channel Islands' banking and investment business is the offshore industry of trust and company administration. Because of its personal and confidential nature this service receives minimal publicity, except when something goes wrong. But hundreds of staff in lawyers', accountants' and banks' offices are employed protecting and administering assets of the world's wealthy.

Trust and company administration forms the backbone of any offshore financial centre. Liquid assets under administration are usually passed to local banks and investment institutions, thus providing a substantial part of an offshore centre's deposit base.

Expertise developed in this field over the past decades, coupled with the presence of top ranking banks and investment institutions, has made the Channel Islands first choice for many high net worth individuals.

Recent newspaper articles in the UK about the use of offshore trusts by wealthy UK residents to avoid capital gains tax have rekindled fears that the British Government will take corrective action in its next Budget. There was already a round of beat-the-Budget trust formation last winter. But existing trusts are unlikely to be affected, and these days the Channel Islands reach out to a global clientèle.

Trusts in Britain were known as far back as the 14th century, when a knight granted life interest to his servant to farm the land. The main purpose of trusts was always to provide protection for those who could not protect themselves. But since the 1940s trusts have been recognised as having broader uses as part of legitimate tax planning.

Mr Charles Parkinson, of Pannell Kerr Forster in Guernsey, said trusts form a main part of accountancy and banking business in that island.

"Ideally trusts are formed with assets that have not yet really appreciated," said Mr Parkinson.

"The subject matter may be or become a share portfolio, so then trustees employ a stockbroker. But since the market crash most now sit on cash deposited in local banks."

A trust can last up to 100 years and has three parts: the settlor, who gives the asset; the trustees, who administer the asset according to the settlor's wishes; the beneficiary, who ultimately receives the asset.

There are four main types

- Freezer – low value asset put in trust which later realises high value and thus defers capital gains tax
- Accumulation and maintenance – provision for the next generation
- Life interest – settlor retains income for life and the trust has power to return capital to the settlor so defer capital gains tax
- Conventional discretionary – UK residents' tax planning arrangement.

The main reason for setting up a trust offshore is to defer or avoid capital gains tax, though it may provide opportunities for deferring income tax. Jersey introduced new trust law in 1984 and Guernsey in 1989 and professionals in both islands say this has helped them considerably. Mr Clive Barton of Moore Stephens, president of the Jersey Society of Chartered and Certified Accountants, said the new law helps when there is any uncertainty in the trust deed.

Moore Stephens' expansion in Jersey is indicative of growth and trends in trust and company administration business in the Channel Islands. In 1974 they had five staff and clients were from the UK, non domiciled but resident. Now they have 75 staff and their work is almost entirely international with very few UK based clients.

Mr Barton said: "Over the years Jersey has established itself as a financial centre, it has never been a tax haven. I always think of tax havens as banana republics.

Offshore companies are often run in harness with trusts, usually to provide an additional layer of protection for the assets.

There are two types of company available in the Channel Islands – exempt and resident. Exempt companies pay an annual duty fee while resident companies pay income tax.

The corporation tax company has been eliminated in both Jersey and Guernsey. Its demise also marked the end of the "Sark lark", a feature of non-Channel Island resident companies that was embarrassing the authorities.

The neighbouring island of Sark is a different jurisdiction and its residents were paid fees to act as nominee directors for Jersey and Guernsey corporation tax companies.

Board meetings of these companies had to be held outside the two larger islands, so there was a steady flow of lunchtime visits to Sark to comply with regulations.

While most professionals and those in the authorities are pleased to see the end of this ritual, no doubt some Sark residents are not so happy with the cut in their income.

As well as lawyers and accountants, banks also offer trust and company administration services. Mr Richard Moseley, managing director of Midland Bank Trust Corporation in Jersey, said they are doing more international business now. Many clients come through Midland's private banking arm or already have large deposits with the bank.

Mr Moseley also feels the UK's perception of offshore has improved. But next on their list is 1992 and Europe and he said they are addressing how Europeans can link into trusts.

Sue Stuart

CONSTRUCTION

Pressures on space

EXTREME pressure on space for commercial and housing use has forced Jersey and Guernsey to restrict further development. Their policy is to maximise the potential of existing commercial buildings through increased productivity per employee and a wider use of information technology.

"I do not want to see the island expanding to become an unpleasant place to live in," said Senator Reg Jeune, president of Jersey's finance and economics committee. "Equally I do not want to see us going backwards and standards of living reduced."

Ashley Ashwood

Senator Jeune: wants to maintain standards of living

The immigration policy, known as "zero job growth", was adopted by the States of Jersey last December. The aim is to reduce the current rate of about 800 new jobs a year to nil by 1992.

To achieve this they introduced the Regulation of Undertakings and Development Board. Any business wishing to expand has to obtain permission from the authorities to do so by convincing them of potential increased profitability. While this has placed great pressure on many businesses, it has also encouraged them to far greater use of information technology.

Every business has to submit to the authorities quarterly returns on each employee's profitability. This has disgruntled some in the trust and company administration sector who pass clients' funds to bank and investment institutions. They feel this enables other to demonstrate greater profitability although the source of the funds was themselves.

The supply of office space coming into the market is tightly restricted and Mr David Evans, partner in Healy and Baker, estate agents in Jersey, said it is "pretty old-fashioned and inferior".

He said the States' encouragement to concentrate on productivity per employee will lead to an uplift in standards and rentals, currently £15-18 per sq ft. "Businesses need good quality staff to comply with requirements, so they will need the best environmental and working conditions."

Construction of new offices requires a development permit. To acquire this, the agent needs to demonstrate a permanent letting of at least two-thirds of the space to occupiers approved by the authorities. The occupiers also have to obtain their own permits to occupy and employ staff.

Mr Evans said it is difficult to bring these deals home and when it succeeds, "from an agent's point of view you feel you really have achieved something".

Jersey covers 45 sq miles and has a population of 86,000. St Helier, its main town, appears to have developed in a rather muddled manner. But out in the country and coastal areas the island's beauty remains unsullied by any tasteless development.

It was not until 1986 that Jersey set out a policy section in its island development committee. Prior to that, design issues were not addressed said Mr Peter Thorne, acting director of the department of planning and building control. A development plan for the whole island was approved in 1987.

Mr Thorne said a multimillion pound plan for development of the waterfront area in St Helier was under discussion. It would incorporate a yacht marina, hotel and self catering accommodation, housing and leisure facilities.

Guernsey also faces development problems. The island houses a population of 60,000 in 24 sq miles and has tackled immigration through a housing policy.

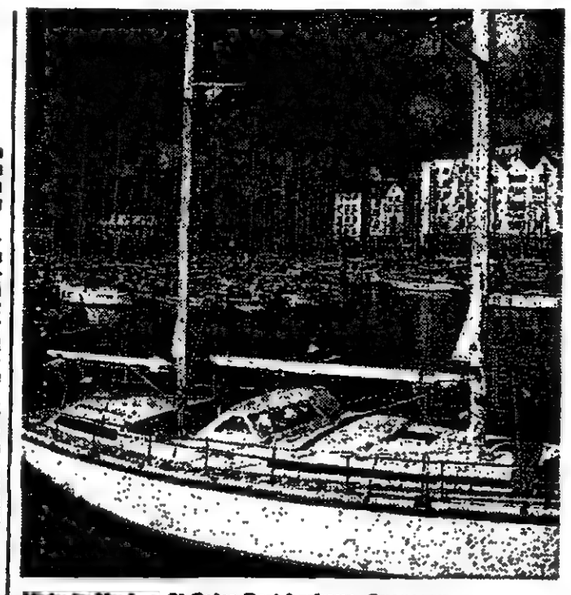
About 1,600 houses are on the open market register. These are the only properties on the island available to someone without residential qualifications or a licence to work. The prices of these properties are kept artificially high, the lowest in the range is about £200,000.

Guernsey suffers from extensive ribbon development that took place after the Second World War. Farmers looking to raise capital sold fields next to the roads for housing projects. The unfortunate consequence is that driving around the bungalow-lined roads and lanes the island begins to feel like one large village.

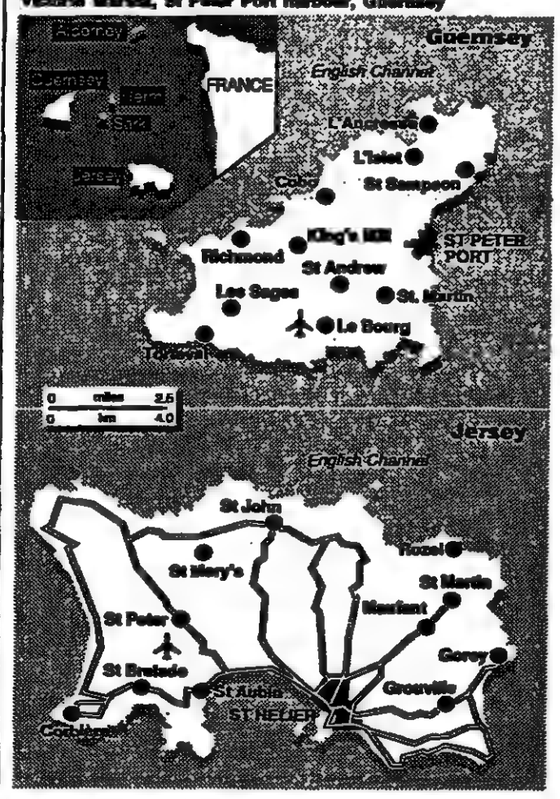
Development in St Peter Port, the main town, has been restrained. Looking up at the town from the harbour there is little obvious evidence of the thriving business community it contains and its delightful character has been retained.

Mr Michael le Tissier, chief executive of Guernsey's island development committee, said their new development strategy is to restrict any large initiative in rural parts of the island. The island's housing needs will be concentrated in what has become known as "the corridor", the area between St Peter Port and neighbouring St Sampson.

Sue Stuart



Victoria Marina, St Peter Port harbour, Guernsey



TOURISM: end of the bucket and spade era

A more mature market

TOURISM in the Channel Islands is becoming more productive per tourist, as the islands' balance dictates of the market against their limited staff resources. Natural beauty and temperate climate have long ensured a healthy flow of visitors, but low-cost travel to the Mediterranean has turned the Channel Islands into a high-cost destination for UK visitors.

The "bucket and spade" era has passed and the islands are seriously addressing the need to upgrade their infrastructure to cater for a more mature, discerning market. The emphasis is on retaining the islands' natural amenities while providing good-quality accommodation and entertainment.

About 90 per cent of the islands' staying holiday-makers come from the UK. Jersey, which has 23,625 beds, received 880,000 staying holiday-makers last year, while Guernsey, which has 9,813 beds, received 250,000. In Jersey, tourists' expenditure was about £270m, in Guernsey about £92m.

In both islands, tourism's contribution to gross national product is not far behind that of the finance sector. The authorities have long recognised the importance of a balanced economy.

"We need the twin pillars of finance and tourism. It would be absolute folly to rely on one industry or the other, or to put all our bets on finance, which is vulnerable to events elsewhere. To have a balance is important," says Jersey's Senator John Rothwell, tourism president.

Space is at such a premium that increased productivity by individuals and businesses is the only option for expansion. The authorities do undertake research into their tourist products and market trends.

Their role is mainly advisory to those in the industry and they do not liberally hand out grants for new schemes or improvements. "At the end of the day, it is their choice whether they upgrade and stay in business," said Senator Rothwell.

Though the islands still get traditional summer family holiday-makers, growth in the industry has concentrated in the early and late seasons. "The holiday period does not peak now," said Mr Michael Walden, director of tourism in Guernsey. He said the old "bucket and spade brigade" can no longer afford to go there. "There is value here but it is not cheap," he added.

The clientele is older and more affluent than in the past, and the product is more marketable in that direction, Mr Walden said. "We have accepted the product will appeal to a higher socio-economic group."

Mr David de Carteret, marketing manager for Jersey tourism, said it will be important to sell the island as an overseas destination in the UK market. This is where growth is in the UK travel industry.

But the islands are looking to increase their share of the European market. Mr de Carteret said he wants to see more spending on marketing by the industry. "The normal rate for hotels worldwide is between 3 per cent and 4 per cent of turnover. I believe they are spending less here," he said.

Although bed losses on the islands in the past 10 years have run into thousands, the authorities say these were mostly at the bottom end of the guest-house market. Their loss is in keeping with the evolution of upmarket tourism.

Concern was expressed by Mr Walden over the loss of 1,000 beds in the self-catering sector, which at one time had 25 per cent of Guernsey's bed stock. He said that sector was hard hit when it was realised the planning laws did not prohibit change of use and many houses were sold for first-time-buyer homes.

The main problem facing the industry is its need to import labour, nearly all of which is Portuguese. There are fears that pulling down Europe's inter-state barriers may result in the Portuguese seeking work in other countries, where conditions will be better.

The authorities in the Channel Islands are urging the industry to upgrade wages and accommodation for its migrant workers to pre-empt this.

Recent reports show an increase in the conference market. Although this brings in short-stay visitors, they tend to be higher spending than holiday-makers.

Conference facilities are available for up to 2,000 delegates and the average length of stay is two or three nights. Last year, Jersey received 18,000 delegates, who spent an average of £80 per day, and Guernsey received 16,500 delegates, whose average daily spending was £117.

A larger contribution to income in Guernsey is derived from visiting yachts. Last year, over 13,000 boats visited the island, staying an average of four nights, and the income derived was nearly £8m. A survey produced by the tourism authority revealed 40 per cent of boat people's expenditure was on presents or things for themselves, and 22 per cent on eating on shore.

Jersey has only 220 berths for visiting yachts, but is discussing the development of two marinas, which would add a further 1,900 berths. Last year, the income from Jersey's boat people was £2.2m.

Both islands benefit from excellent travel communications. As Senator Rothwell said: "Any island is only as good as its transport links."

There are air services, either direct or connecting, from the UK, Eire, France, Holland, Germany, Switzerland and Scandinavia. London and Paris are less than an hour's flying-time.

In the summer, roll-on roll-off ferries operate from Weymouth, Poole, St Malo and Cherbourg. Smaller ferries and hydrofoils run from Weymouth, St Malo and Carteret.

Most important to the islands are the little yellow aeroplanes of Aurigny Airlines that fly the inter-island hops in 15 minutes all the year round. Even the most fearful passenger cannot fail to be impressed by their efficiency.

The way forward for tourism in the Channel Islands has been recognised by them as lying in upgrading accommodation and amenities. This will enable them to satisfy shorter-stay but higher-spending visitors, without destroying the islands' natural resources.

Mr Walden in Guernsey summed up attitudes: "There is a determination to meet local needs by sustaining all that is good about our island, and using that to attract visitors."

Sue Stuart

LONDON STOCK EXCHANGE

Shares steady in increased turnover

INVESTMENT institutions were active in the UK stock market yesterday rounding off their portfolios ahead of the Christmas holiday and the year-end. With only three trading days left before the market effectively hibernates until the new year, share volumes were surprisingly high, with a £45m trading programme from a leading securities house, a batch of tax-loss deals and some activity in takeover stocks all helping to boost Seaq trading. However, outside these selected areas, genuine investment activity was modest.

The mood of the market continued to change between cautious optimism for the medium term outlook and distinct nervousness over the immediate outlook. News that the UK government's Public Sector Borrowing Requirement (PSBR) surpassed market expectations by rising to £1.3bn last month was even seen to be an encouraging investment factor.

Kleinwort Benson Securities, the UK merchant bank, told a conference of institutional investors that it regards the UK equity market as "one of the world's cheapest", noting that in 1991 UK inflation will half, interest rates will fall, the recession will end, oil prices will ease and equities could benefit from the overhang of institutional money.

However, concern over the near term outlook continues to unsettle equities, not least the renewed speculation of further cutbacks at leading securities firms, perhaps to the point of some houses withdrawing from equity trading. Hopes for early reductions in base rates continue to recede.

Equities opened briskly yesterday and moved up by nearly 8 FT-SE points as stock was bought back to match several large tax-loss deals operated at the close of Monday's session. The PSBR news at mid-morning encouraged the view that increased government spending may help share prices next year, particularly in the battered building and construction sectors.

The trading programme, which consisted of matched buy and sell operations across the full range of equities, helped turnover along but share prices soon began to slip from their best levels. The London futures market gave little help to the underlying equity sector. Although the December contract on the FT-SE Index held a good premium against fair value throughout, much of the interest lay in switching into the March contract, which takes over as the operative futures instrument on the first day of next year. Today brings the expiry of the December share options contracts, and this also distorted trends in the option market itself.

In spite of a firm, if irregular, opening to the new Wall Street session, which brought a gain of 11.38 Dow points in London hours as New York responded to favourable news on US consumer prices in November, the UK market gave back much of its early gain.

The final reading put the FT-SE Index at 2,161.8, a rise on the day of 3.9. Seaq volume, incorporating both retail and inter-dealer business, totalled 575.3m shares, against only 333.8m in the previous session.

Nervousness over the Gulf situation, where prospects for a peaceful solution appear to have been reduced with the apparent break-down of plans for direct discussions between the US and Iraq, continued to unsettle underlying confidence in equities. Analysts commented that over the past month the UK market has on several occasions reacted quickly to bad news from the Middle East.

Account Dealing Dates

***First Dealings:**		
[illegible]	Dec 31	Jan 14
Option Declarations:		
Dec 27	Jan 10	Jan 24
Last Dealings:		
Dec 28	Jan 11	[illegible]
Account Day:		
Jan 7	Jan 21	Feb 4

*New-time dealings may take place from 8.30 am two business days earlier.

FINANCIAL TIMES STOCK INDICES

	Dec 18	Dec 17	Dec 14	Dec 13	Dec 12	Year Ago	1990 High	1990 Low	Since Compilation High	Since Compilation Low
Government Secs	82.74	82.87	83.37	83.31	83.39	84.16	84.20 (2/1)	74.13 (30/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	91.06	90.93	91.14	91.02	91.17	92.33	92.91 (8/1)	83.60 (30/4)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share	1694.2	1690.2	1701.2	1704.9	1692.2	1652.5	1968.3 (3/1)	1510.4 (24/9)	2008.6 (5/9/89)	49.4 (26/6/40)
Gold Mines	136.2	140.1	138.8	139.1	141.6	311.3	378.5 (8/2)	136.2 (18/12)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2161.8	2157.9	2168.4	2172.2	2156.9	2342.1	2463.7 (3/1)	1990.2 (28/9)	2463.7 (3/1/90)	986.9 (23/7/84)
FT-SE Eurotrack 100	972.98	972.00	992.71	996.21	993.61	-	1003.35 (6/12)	948.31 (27/11)	1003.35 (6/12/90)	948.31 (27/11/90)
Ord. Div. Yield	5.66	5.67	5.65	5.62	5.68	4.59				
Earning Yld % (full)	11.81	11.84	11.79	11.74	11.86	11.21				
P/E Ratio (Net)(*)	10.22	10.20	10.25	10.29	10.16	10.79				
SEAQ Bargns 4.45pm	23,605	25,305	32,604	31,637	38,640	32,224				
Equity Turnover(£m)†	-	639.26	957.44	1315.89	1162.97	1374.66				
Equity Bargains†	-	26,788	35,830	39,727	47,162	33,888				
Shares Traded (ml)†	-	314.7	444.2	516.6	515.0	655.4				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 [illegible]

Ordinary Share Index, Hourly changes Day's High 1697.1 Day's Low 1685.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1692.0	1686.1	1689.8	1693.7	1693.1	[illegible]	1692.0	1694.0	1695.7

FT-SE, Hourly changes Day's High 2165.7 Day's Low 2153.2

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2159.6	2153.4	2159.6	2164.9	2162.4	2161.7	2161.0	2162.1	2162.9

FT-SE Eurotrack 100, hourly changes Day's High 975.93 Day's Low 971.32

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
973.78	974.30	974.64	972.60	972.61	971.75	972.86

GILT EDGED ACTIVITY

Indices*	Dec 17	Dec 14
Gilt Edged Bargains	87.7	89.5
5–Day average	90.2	93.7

*SE Activity 1974.
†Excluding intra-market business & Overseas turnover.

London report and latest Share index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ADT	723	113	-2
ASDA Group	5,600	119½	+½
Abbey National	1,800	229	-1
Allied-Lyons	1,800	487	+2
Amstrad	3,100	63	-1
Anglian Water	880	273	+4
Argos	2,800	246	-3
Argyll Group	1,600	251	+1
Ass. Brit. Foods	600	418	-3
BAA	847	412	+2
BAT Inds.	1,200	595	+4
BET	3,200	186	+2
BICC	662	308	-4
BOC	750	503	+10
BPB Inds.	1,900	175	+2
BTR	4,800	382	
Bank of Scotland	2,900	114	-1
Barclays	7,900	353	+4
Bass	735	1069	+16
Beazer	1,400	95	-1
Berisford Int.	3,700	18	+1
Blue Circle	2,100	218	-1
Boots	3,600	318	-4
Brit. Aerospace	1,300	609	
British Airways	2,100	144	+1
British Gas	12,000	234	-1
British Land	662	280	+3
BP	9,000	332	+5
British Steel	24,000	116	+½
British Telecom	9,500	291	+1
Bunzl	2,300	99	+2
Burmah Castrol	278	505	-3
Burton	13,000	80	-2
Cable & Wire.	2,000	465	+8
Cadbury	2,300	330	+1
Calor Group	1,600	284	-3
Carlton Comms.	589	386	+2
Coats Viyella	2,300	103	+1
Comm. Union	540	467	+6
Costain	1,300	161	+2
Courtaulds	1,500	340	+1
Dalgety	467	351	-4
Dixons	1,200	137	+2
ECC Group	168	353	-6
Eastern Elect.	2,300	142½	-½
East Midland Elect.	3,700	148	+4
Enterprise Oil	1,400	614	-6
FKI	880	48½	+½
Ferranti	1,800	14	
Fisons	744	379	+2
Gen. Accident	411	493	-5
General Elect.	10,000	178	-1
Glaxo	3,500	854	-11
Glynwed Int.	346	216	+1
Granada	5,800	188	+1
Grand Met.	3,630	655	+8
GUS A	304	1065	+5
GRE	4,300	186	-1
GKN	4,800	329	
Guinness	2,300	775	+3
Hammerson "A"	234	680	-3
Hanson	7,800	192½	-1
Hanson Warrants	465	33	-½
Harrisons Crosfield	201	182	-1
Hawker Sidd.	2,600	434	+7
Hillsdown	2,800	234	-1
IMI	1,100	206	-½
ICI	1,000	910	+7
Inchcape	465	330	+3
Kingfisher	1,200	364	-2
Ladbroke	3,500	258	-1
Land Securities	587	434	+4
Laporte	422	494	+2
Legal & General	1,100	365	+4
Lloyds Abbey	401	308	-1
Lloyds Bank	5,900	282	-4
LASMO	2,000	380	-6
London Elect.	3,600	146	+2½
Lonrho	2,100	215	+3
Lucas	2,200	139	+3
MB Caradon	540	195	
MEPC	141	487	+4
Manpower	1,100	61	+4
Manweb	679	179	+1
Marks & Spencer	6,600	223½	+½
Maxwell Comms.	327	181	-½
Midland Bank	2,500	198	-11
Midlands Elect.	3,600	145	+3
NatWest Bank	5,200	284	-5
Next	2,800	14	
North West Water	302	285	+8
Northern Elect.	1,200	144	-1
Northern Foods	1,100	344	-2
Northumbrian Water	307	384	+6
Norweb	1,500	151	+4
Pearson	621	680	-3
P & O	614	535	+3
Pilkington	1,800	172	+1
Prudential	3,600	208	-2
RHM	1,100	382	-1
RMC	346	650	
RTZ	846	483	+2
Racal	17,000	188	-2
Racal Telecom	1,100	284	+4
Rank Org.	820	643	-6
Reckitt & Colman	452	1276	-8
Redland	267	536	-6
Reed Intl.	3,300	398	-2
Reg. Elect. Pkg Uts	22	£1515	+22
Reuters	2,600	866	-5
Rolls Royce	2,400	162	-1
Rothmans	11	746	+1
Ryl Bk Scotland	1,000	164	-4
Royal Insurance	1,100	408	+3
STC	40	222	
Saatchi	761	52½	-½
Sainsbury	1,200	305	
Scottish & New.	480	354	+7
Sears	13,000	81	-1
Sedgwick	132	230	+3
Seeboard	1,000	148	
Severn Trent Water	572	236	+3
Shell Transport	5,100	459	+9
Siebe	312	325	
Slough Ests.	201	244	+6
Smith (W.H.) A	1,300	374	-6
Smith & Nephew	1,200	133½	+2
SmithKline Beecham	917	617	+2
SmithKline Beecham Uts.	95	2705	+5
Smiths Inds.	176	218	-4
Southern Elect.	2,200	147½	+1
South Wales Elect.	686	167	+3
South West Water	611	285	+2
South West. Elect.	738	150	+1
Southern Water	611	245	+1
Standard Chartd.	480	288	
Storehouse	878	108	-2
Sun Alliance	652	329	+4
Sun Life	105	1123	-2
T&N	218	157	-2
TI Group	188	415	-3
TSB	822	135	-2
Tarmac	1,000	283	-7
Tate & Lyle	1,500	313	+6
Taylor Woodrow	1,200	211	-4
Tesco	2,400	232	+1
Thames Water	280	294	+2
Thorn EMI	674	690	
Trafalgar House	1,500	188	-3
Trusthouse Forte	1,300	247	-2
Ultramar	3,900	324	-2
Unigate	787	278	+1
Unilever	1,600	695	+5
United Biscuits	1,400	322	-2
Utd. Newspapers	1,000	358	-2
Water Package Uts.	0	£2605	+25
Wellcome	480	443	+8
Welsh Water	467	278	+2
Wessex Water	571	258	+8
Whitbread 'A'	820	482	+4
Wiggins Teape	1,600	160	-1
Williams Hldgs.	108	286	
Willis Corroon	1,800	282	+7
Wimpey	71	260	
Yorkshire Elect.	2,800	168	+5
Yorkshire Water	464	271	+6

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 4.30pm.

Swedish claims hit Glaxo

GLAXO was one of the worst performers in the FT-SE 100 after analysts reacted bearishly to a presentation by Astra, a Swedish pharmaceutical company that makes a rival to Glaxo's Zantac – the world's best selling drug.

Astra claimed the growth in sales of Zantac was suffering in the important US market, as well as in France, Italy, Germany and Sweden. Both drugs are stomach ulcer treatments, although Astra's Losec is only approved for acute cases. The company has filed for approval for long term treatment.

Analysts at UBS Phillips & Drew said investors should be aware that Astra's views could be biased. Nevertheless, they recommended taking profits, considering Glaxo had had a good rise in recent weeks on US buying. The shares retreated 11 to 854p, having bottomed at 849p. Turnover was a strong 3.5m.

Increased stake

Burmah Castrol yesterday picked up another 6 per cent of the shares of its bid target Foseco. Two major institutions are understood to have sold the stock, which raised Burmah's total stake to 29.8 per cent. A Burmah spokesman commented: "This clearly demonstrates that shareholders accept our arguments that the Foseco defence is seen to be without substance."

Foseco eased 2 to 294p on turnover of 10m, a figure which represented double counting of two substantial purchases of Foseco stock by Burmah, one of 4m at 300p cash and another of just short of 1m for the same price. Burmah came under pressure as the session wore on and eventually closed 3 down at 505p, albeit in relatively thin trading of 278,000 shares.

Some chemicals specialists took the view that Burmah could come under pressure whatever the outcome of the Foseco bid. "If Burmah loses out in the bid battle, it will be made to look incompetent after losing its third successive takeover tussle in recent years," said one analyst.

Burmah previously made unsuccessful attempts to take over Laporte and Croda. He added, however, that if Burmah won the Foseco battle, "would it manage the assets any better than Foseco has?"

Yet more brokers' downgradings kept a lid on the stores sector. Analysts are anticipating trading statements from several retailers after Christmas concerning crucial pre-Christmas sales levels.

Smith New Court joined others on Boots, cutting its forecast for the current year from £377¼m to £365m after a meeting with the company. Cazenove was also said to have reduced its figures on Boots. Concern over Boots' Payless do-it-yourself business encouraged the broker to take another look at W.H. Smith, which owns the rival Do-It-All chain and was down 6 at 374p. After taking into account the wider malaise in the economy too, Smith reduced its estimate on W.H. Smith for the present year by £2m to £93m and for next year by £12.5m to £107.5m.

UBS Phillips & Drew downgraded Storehouse, taking its forecast for the current year from £30m to £25m; the stock shed 2 to 108p. Burton were 2 easier at 80p. A block of 6.8m Burton shares in the late programme trade pushed total volume to 13m. Marketmakers said a line of 3.1m Ratners were placed at 171p. The shares receded 5 to 174p.

There was selective support for the electricity "discos" in front of what is expected to be a session of much higher turnover as private investors receive their allotment letters and take profits on their scaled-down holdings. Commenting on the day's proceedings, one trader in the sector noted: "It is very squeezy at the moment, but we should see a substantial pick-up in action when the big banks get their systems to click on to the expected flood of small sales."

Yorkshire maintained their good run, adding a further 5 at 168p on 2.8m, while East Midland and Norweb followed closely with gains of 4 each at 148p and 151p respectively on turnover of 3.7m and 1.5m. London, up 2½ at 146p on 3.6m, and Midland, 3 firmer at 145p on 3.6m, were also prominent. The Electricity Package added £22 at £1515.

Water issues were broadly higher, but traders described levels of business in the stocks as pitiful. The excellent profits and dividend increase at Wessex, in the news last week as French group Lyonnaise des Eaux Dumez sold its 6 per cent shareholding, triggered support for the shares, which rose 8 to 256p. The Water Package was £25 up at £2605.

The revelation by art auctioneer Christies that autumn season sales had fallen by half sent the shares 13 lower at one point. They recovered to 159p, a loss of 8 on the day. Volatile Sotheby's dropped 50 to 538p.

Shandwick, the public relations group, dropped 10 to 63p. There was talk of a line of stock overhanging the market.

The market had more than discounted a 38 per cent fall in interim profits to £2.2m from advertising agency Gold Greenlees Trott. The shares climbed 7 to 56p.

There were numerous heavy individual trades in a banks sector still feeling the effects of the recent barrage of profit downgrades. Barclays, whose shares have been badly mauled by the big cuts in analysts' forecasts, staged a minor rally, closing 4 ahead at 353p on 7.9m, helped by a broker's recommendation to switch into the stock from Lloyds. The latter dipped 4 to 282p on 5.9m. Midland, where the most bearish pundits have pencilled in a pre-tax loss for the current year and it is still suffering the after-effects of the cancellation of the merger plan with Hongkong and Shanghai Banking, fell 11 to 198p on 2.5m. NatWest eased 5 to 284p on 5.2m.

Programme trade activity was said to have stimulated the composite sector. Guardian Royal were slightly easier at 186p on 4.3m and Royals 3 harder at 408p on 1.1m. Commercial Union picked up 6 to 467p after the group announced it is maintaining its "with profits" bonus rates "despite the difficult economic and investment conditions".

More downward pressure on crude oil prices – February Brent slipped some 35 cents a barrel – did not dent what was a pretty solid performance by the oil majors.

British Gas shares maintained their recent steady performance, still helped by the 50 per cent stake in the encouraging oil discovery made in the Gulf of Suez; turnover in the stock reached a good 12m shares.

BP, where 9m were traded, was a firm market and settled 5 higher at 332p, while Shell were aggressively bought and rose 9 to 459p on 5.1m. Hoare Govett, in its latest oil and gas monthly, highlighted Shell as its preferred stock in the larger oil companies.

The Hoare oil team said: "Despite the US offer for Gulf negotiations and confusion over UN resolutions on the Palestinian question, it would be wrong to rule out the prospect of war; the period to mid-January is likely to be volatile." Hoare emphasised that the oils sector is "at its slowest point since the Iraqi invasion", and that many of the stocks look "fair value on medium term prospects".

Ultramar made good early progress to touch 329p before running into a fair weight of selling late in the day – closing 2 off at 324p on 3.9m – amid suggestions that the company had brought forward the routine maintenance programme at its Californian refinery because of a narrowing in refining margins.

A block of 800,000 shares in Calor was said to have featured in a big programme trade and the stock settled 3 off at 284p on 1.6m.

Builders failed to shake off their gloom as brokers continued to lower forecasts and hopes for an imminent cut in interest rates receded. Tarmac, which became the latest victim of the downgrades, lost 7 to 283p after Kleinwort Benson trimmed its profits figures from between £210m to £200m to £190m for this year and from £240m to £210m in 1991.

Mr Jamie Stevenson at Kleinwort commented that while the new assessment was "no panic downgrade", a visit to the company had confirmed its view that earnings at Tarmac are not going to increase much next year, if at all.

The announcement that IMI has acquired 2.2m shares in Birmingham Mint and was making an increased final offer for the company pushed the latter's price up 9 to 94p, but did not help IMI's share price. The issue has been easing in the wake of a number of downgrades and yesterday IMI lost ½ to 206p.

ERF added 30 at 153p amid continued speculation about a possible overseas bid for the company.

Good results from NFC cheered the transport sector. The company saw profits rise to £97.7m in the year to October 1990, against £90m in the previous year, while the final dividend was announced at 1.8p. The profit figure exceeded the company's "best view" of £97m for the year, and Mr Matthew Stainer at Hoare Govett commented that "under the circumstances the results were pretty good". However, there was no doubt that the first part of next year would be difficult, he added. NFC put on 8 to 124p.

Morgan Crucible, the industrial materials group, bowed to a downgrading by Smith New Court and closed 7 weaker at 212p. Mr Bruce Davidson at the investment bank cut his profits estimates for both this year and next, citing the Holt Lloyd Car Care subsidiary as the chief problem area. The new figure for 1990 is £60m, down from £67m, while that for the following year is £64.5m, previously £72m. The group usually reports its annual results in March.

The market appeared reluctant to bless the intended marriage of waste management companies Shanks & McEwan and Rechem Environmental Services. More needs to be known why Rechem was willing to talk, commented Mr Robert Miller-Bakewell of County NatWest, as the shares of both concerns gave more ground. Shanks closed 18 lower at 1170p and Rechem 7 down at 573p, after 568p.

The bid excitement aroused last week by the simultaneous suspension of the two waste management stocks faded completely and other environmental or "green" issues fell back to earth. Leigh Interests was most affected, losing 8 to 307p.

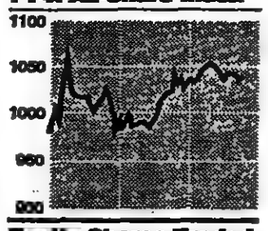
Industrial holding company Mosaic Investments responded strongly to impressive interim results. Profits jumped 76 per cent to £3.35m, the dividend payment was increased and the directors were confident of a successful outcome for the full year. Mosaic ended 15 higher at 270p.

CH Industrials tumbled 7 to 16p after reporting extremely poor first half results and warning that the trading outlook for the rest of the year would remain difficult.

A shortage of stock continued to help Bass, which ended another 16 up at 1069p. Devenish, the west country-based brewer, rose 10 to 144p after selling three subsidiaries for £15m cash.

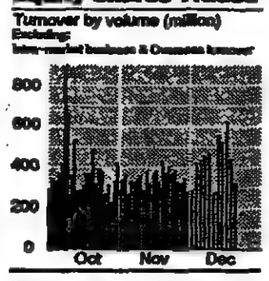
■ Other Market statistics, including the FT-Actuaries share index, Page 21

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



NEW HIGHS AND LOWS FOR 1990

NEW HIGHS (8).
CORPORATION LOANS (1) BUILDINGS (1) STORES (1) INDUSTRIALS (1) London International, TRUSTS (3).
NEW LOWS (84).
AMERICANS (1) CANADIANS (2) BREWERS (3) BUILDINGS (5) CHEMICALS (2) STORES (4) ELECTRICITY (3) ELECTRICALS (10) ENGINEERING (3) INDUSTRIALS (14) Associated British Consultants, Brierley Invs., CH Industrials, Christies International, Computer People, Continuous Stationery, Dean & Bowes, Fletcher Challenge, Hadleigh Industries, Harris (Ph.), Oriflame, Rock, United Uniform Services, Whittington, LEISURE (3) MOTORS (1) NEWSPAPERS (1) PAPERS (6) PROPERTY (4) TEXTILES (2) TRANSPORT (1) TRUSTS (7) OILS (4) OVERSEAS TRADERS (1) MINES (16).

APPOINTMENTS

Merchant banking chairman

■ **Mr M. Victor Blank** has been appointed chairman of Charterhouse, merchant banking division of THE ROYAL BANK OF SCOTLAND, from January 1, succeeding Mr Peter E.G. Balfour who retires. Mr Blank continues as chief executive of Charterhouse. As an executive director of The Royal Bank of Scotland Group, Mr Blank will also become an executive director of The Royal Bank of Scotland on February 1 when the functions of the two boards are merged.

■ **COMPUTER SCIENCES COMPANY** has appointed Mr Alistair Crawford as sales director.

■ **Mr Vanni Treves**, senior partner of Macfarlanes, chairman of BBA group, and a trustee of the J. Paul Getty Jr Charitable Trust, has been appointed non-executive deputy chairman of McKECHNIE.

■ **Mr Jonathan Abbott** has been appointed a director of LONDON JAZZ RADIO.

■ **Mr Terry Hazell** has been appointed divisional director and general manager of FOSTER WHEELER ENERGY's Glasgow operations. He was manager systems and computer applications, and a divisional director.

■ **ANGLIA SECURE HOMES** has appointed Mr Paul Rudder as a non-executive director. He is a non-executive director of Standard Chartered. He retired from the board of BET last June.

■ **DATA & ARCHIVAL DAMAGE CONTROL CENTRE** has promoted Mr John P. Doig to overseas operations director from UK operations manager. Mr Martin McMillan has been appointed to the new post of risk analyst.

■ **ALLIED DUNBAR**, Swindon, has promoted Mr Colin Webb *(pictured)* from sales director to broker director; Mr Peter Ellen from divisional director to executive director, training and development; Mr Tony Leeson from divisional director to executive director, financial management advisory department; and Mr Phil Hodkinson from actuarial divisional director to executive director. In the sales divisions Mr Brian Buchanan becomes executive director, Northern Ireland and Wales; Mr Richard Knox-Johnston, executive director, Wessex; Mr Roy Morris, executive director, London; and Mr Sandy Sanderson, executive director, Cotswolds.

■ **Mr Patrick Pagni** has been promoted to chief executive of SOCIETE GENERALE STRAUSS TURNBULL SECURITIES. He was deputy chief executive, and was formerly in charge of Societe Generale's Hong Kong operations. He succeeds Mr Peter Hogarth who has resigned, but who will continue to assist in the management of Societe Generale's settlement and clearing sub-group in the UK.

■ **Mr Christopher Cheng** and Mr Christopher Maunsell have been appointed to the board of VIVAT HOLDINGS.

■ **Mr David Lloyd**, a director of Sir William Halcrow and Partners and their chief executive (overseas), has been appointed chairman of BRITISH WATER INDUSTRIES GROUP succeeding Mr Wynn Kenrick of Mowlem International. Mr Adrian White, chairman, Biwater, becomes vice chairman of BWIG.

■ **Mr Douglas Claisse** *(pictured)*, director of sales and marketing, becomes director, marketing and operations at CLERICAL MEDICAL INVESTMENT GROUP. Mr David Arthur, regional manager (north), becomes general manager sales. Mr Frank Hobson, staff manager, becomes general manager human resources following the retirement of Mr Neville Jones, personnel director. Mr Steve Allchin, Mr Chris Dell, and Mr John Popham are promoted to assistant general managers with responsibility for group pensions, life assurance and individual pensions. Mr Roger Corley is retitled managing director, and Mr Robert Walther investment director

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
99⅞	97¼	Treas 11¾pc 1991	99⅜xd	......	11.78	–
98⅝	92¼	Funding 5¾pc '87-91‡‡	98¼	......	5.85	11.81
97⅞	89¾	Treas. 3pc 1991	97⅛	......	3.09	10.71
99⅝	94⅞	Treas 10pc Cv '91‡‡	98⅝xd	-⅛	10.11	12.24
99¾	94⅞	Exch. 11pc 1991	99¼	-⅛	11.08	11.95
97⅛	90⅜	Treas. 8pc 1991	96⅝	-⅛	8.27	11.65
101⅞	97⅝	Treas 12¾pc 1992‡‡	100⅝xd	-⅛	12.63	11.88
98¼	92¼	Treas 10pc 1992	97⅝	-⅛	10.21	11.89
96¼	89½	Treas. 8pc 1992‡‡	95⅝	-⅛	8.36	11.56
99⅞	93⅛	Treas 10½pc Cv 1992‡‡	98¾	-⅛	10.66	11.65
93⅞	82⅞	Treas. 3pc 1992	91⅝	......	3.27	9.18
101⅞	95⅞	Exch. 12¼pc '92	100⅝	-⅛	12.16	11.69
104	98⅞	Exch 13½pc 1992	102¾	-⅛	13.12	11.54
94⅞	86⅝	Treas 8¾pc 1993	94¼	-⅛	8.76	11.34
98⅞	90¼	Treas 10pc 1993‡‡	97¼	-⅛	10.28	11.36
103⅞	96⅞	Treas 12½pc 1993‡‡	102⅞xd	-⅛	12.19	11.38
92⅞	82	Funding 6pc 1993‡‡	90⅝	......	6.64	10.04
107⅞	99⅝	Treas 13¾pc 1993‡‡	105⅞	-⅛	12.98	11.35
94	84⅝	Treas. 8½pc 1994	92⅞	-⅛	9.15	11.22
111⅞	102⅞	Treas 14½pc 1994‡‡	109⅞	-⅛	13.29	11.01
107⅝	99¼	Exch 13½pc 1994	106⅞	-⅛	12.70	11.19
98⅛	88⅝	Treas. 10pc Ln. 1994‡‡	96⅞	-⅛	10.31	11.09
105⅞	96⅞	Exch. 12½pc 1994	103⅞	-⅛	12.04	11.17
94⅞	85	Treas 9pc 1994‡‡	93⅞	-⅛	9.61	11.05
104⅞	94⅞	Treas 12pc 1995	102⅞	-⅛	11.66	11.02
87	73	Exch 3pc Gas 90-95	85	......	3.53	6.88
98⅞	88⅝	Exch. 10¼pc 1995	97⅜xd	-⅛	10.52	11.07

Five to Fifteen Years

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
108	97⅞	Treas 12¾pc 1995‡‡	106⅞	-⅛	11.98	11.02
112⅞	101⅛	Treas. 14pc '96	110½xd	-⅛	12.67	11.26
93⅞	82⅞	Treas. 9pc 1992-96‡‡	92⅞	-⅛	9.68	10.78
119⅞	107⅞	Treas 15¼pc 1996‡‡	116⅞	-⅛	13.12	11.17
110⅞	99⅛	Exch 13¼pc 1996‡‡	108⅞	-⅛	12.19	11.08
96⅞	85⅞	Conversion 10pc 1996	96	-⅛	10.42	10.93
112⅞	98⅞	Treas 13¼pc 1997‡‡	109⅞xd	-⅛	12.09	11.07
99⅞	87⅞	Exch 10½pc 1997	98⅛	-⅛	10.71	10.92
91⅞	79⅞	Treas 8¾pc 1997‡‡	90⅞	-⅛	9.71	10.82
121⅞	106⅞	Exch 15pc 1997	117⅞	-⅛	12.72	11.17
95⅞	83⅞	Exch. 9¾pc 1998	94⅞xd	-⅛	10.32	10.89
82⅞	70⅞	Treas 6¾pc 1995-98‡‡	81⅞	-⅛	8.29	10.42
126⅞	110⅞	Treas. 15½pc '98‡‡	122⅞	-⅛	12.62	11.04
107⅞	93⅞	Exch. 12pc 1998	105⅞	-⅛	11.38	10.96
95⅞	82⅞	Treas 9½pc 1999‡‡	93⅞xd	-⅛	10.16	10.74
109⅞	94⅞	Exch. 12¼pc 1999	106⅞	-⅛	11.46	10.97
99⅞	85⅞	Treas. 10½pc 1999	98⅞	-⅛	10.70	10.92
98⅞	84⅞	Conversion 10¼pc 1999	96⅞	-⅛	10.61	10.85
92⅞	78⅞	Conversion 9pc 2000‡‡	90⅞	-⅛	9.97	10.67
114⅞	98⅞	Treas. 13pc 2000	111⅞xd	-⅛	11.64	11.00
97⅞	82⅞	Treas 10pc 2001	95⅞	-⅛	10.49	10.76
117	102⅞	Treas. 14pc '98-01	114⅞	-⅛	12.26	11.14
96⅞	81⅞	Treas 9¾pc 2002	93⅞	-⅛	10.41	10.70
119⅞	102⅞	Treas. 13¾pc 2000-03	115⅞	-⅛	11.91	11.06
99⅞	82⅞	Treas 10pc 2003	95⅞	-⅛	10.46	10.64
96⅞	91⅞	Treasury 10pc 2003 "A"	95⅞	-⅛	10.46	10.64
106½	90⅞	Treas. 11½pc 2001-04	103⅞	-⅛	11.11	10.93
56⅞	45⅞	Funding 3½pc '99-04	54⅞	-⅛	6.44	9.61
96⅞	79⅞	Conversion 9½pc 2004	92⅞	-⅛	10.28	10.56
96⅞	79⅞	Conversion 9½pc 2005	92⅞	-⅛	10.28	10.55

Over Fifteen Years

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
117⅝	98⅞	Treas. 12½pc 2003-05	112⅞	-⅛	11.10	10.60
84⅞	69⅞	Treas. 8pc 2002-06‡‡	80⅞	-⅛	9.90	10.50
111⅞	93⅞	Treas. 11¾pc 2003-07	107⅞xd	-⅛	10.94	10.66
89⅞	73⅞	Treas 8½pc 2007‡‡	85⅞xd	-⅛	9.95	10.35
125⅞	105⅞	Treas. 13½pc '04-08	120	-⅛	11.25	10.66
94⅞	77⅞	Treas. 9pc 2008‡‡	89⅞	-⅛	10.00	10.23
85⅞	69⅞	Treas 8pc 2009	81⅞	-⅛	9.84	10.25
94⅞	77⅞	Conv 9pc Ln 2011‡‡	89⅞xd	-⅛	10.05	10.25
63⅞	50⅞	Treas. 5½pc 2008-12‡‡	59⅞	-⅛	9.25	10.16
83	67⅞	Treas. 7¾pc 2012-15‡‡	77⅞	-⅛	9.96	10.25
122⅞	100	Exch. 12pc '13-'17	115⅞	-⅛	10.40	10.26

Undated

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
41⅞	33⅞	Consols 4pc	38⅞	+⅛	10.44	–
36⅞	29⅞	War Loan 3½pc‡‡	34⅞	+⅛	10.26	–
61⅞	55⅞	Conv. 3½pc '61 Aft	58⅞	+⅛	6.00	–
32⅞	26⅞	Treas. 3pc '66 Aft	28⅞	+⅛	10.46	–
25⅞	20⅞	Consols 2½pc	24⅞	+⅛	10.39	–
25⅞	20⅞	Treas. 2½pc	23⅞	+⅛	10.47	–

BRITISH FUNDS – Contd

Index-Linked

1990 High	1990 Low	Stock	(b)	Price £	+ or –	(1)	(2)
126⅞	110¼	Tr. 2pc '92‡‡	(97.8)	125⅞	-¼	1.95	4.19
116⅞	103¼	Do. 2pc '94	(102.9)	115¼	-⅜	3.09	3.91
171⅞	150⅝	Do. 2pc '96	(67.9)	169⅞	-⅜	3.27	3.78
140⅞	123½	Do 2½pc '01	(78.3)	138⅞	-⅜	3.85	4.15
136⅞	119⅞	Do. 2½pc '03	(78.8)	134⅞	-⅜	3.93	4.19
137⅞	122	Do. 2pc '06	(69.5)	135⅞xd	-⅜	4.01	4.22
127⅞	113⅞	Do. 2½pc '09	(78.8)	125⅞	-⅜	4.02	4.22
131⅞	117⅞	Do. 2½pc '11	(74.6)	129⅞	-⅜	4.01	4.19
108⅞	97⅞	Do. 2½pc '13	(89.2)	107⅞	-⅜	3.99	4.16
116⅞	105⅞	Do. 2½pc '16	(81.6)	115⅞	-⅜	3.96	4.12
113⅞	102¼	Do. 2½pc '20	(83.0)	111½	-⅜	3.94	4.09
95⅞	86⅞	Do. 2½pc '24‡‡	(97.7)	93⅞xd	-⅜	3.88	4.03

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for April 1990: 125.1 and for November 1990: 130.0.

INT. BANK AND O'SEAS

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
100⅝	84⅞	African Dev Bk 11½ Ln 2010	96⅞	-⅛	11.48	11.53
98¼	80⅞	Asian Dev Bk 10¼pcLn2009	93¼	-⅛	11.02	11.14
110⅞	80⅞	Int-Am Dev Bk 12½pc 2003	107¼	-⅛	11.66	11.13
91¼	76⅞	Do. 9¾pcLn 2015	87⅞	-⅛	11.08	11.20
110	55	Ind. Mexican States 16½pc 2008	109	......	15.14	14.90

CORPORATION LOANS

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
104	86½	Birmingham 11½pc 2012	101½	......	11.33	11.30
94½	84½	GLC 6¾pc 1990-92	94½xd	......	7.14	11.90
110½	95	Leeds 13½pc 2006	110½	......	12.22	12.01
30½	25	Liverpool 3½pc Irred	29	......	12.07	–
35	24	LCC 3pc '20 Aft	27	......	11.11	–
97½	85½	Manchester 11½pc 2007	97½	+1	11.79	11.80

COMMONWEALTH & AFRICAN LOANS

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
206	206	S Rhod 2½pc Unassd	206	......	–	–
84½	84½	Do. 4½pc 87-92 Assd	84½	......	5.33	9.33

LOANS

Building Societies

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
109	99½	N'wide Anglia 3⅝pc Ln 2021	104¼	......	4.88	5.27
109	99½	Do. 4.25pcIL '24	106¼	......	4.75	4.91

Public Board and Ind.

1990 High	1990 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
55	41	Met. Wtr. 3pc 'B'	53	......	5.66	9.50

FOREIGN BONDS & RAILS

1990 High	1990 Low	Stock	Price £	+ or –	Div % Gross	Red. Yield
50	50	Greek 7pc Ass.	50	......	3.50	f7.00
50	50	Do. 6pc 28 Stb. Ass.	50	......	3	f6.00
50	50	Do 4pc Mixed Ass.	50	......	2	f4.00
80	80	Hung. '24 Ass.	80	......	2.79	f3.57
128½	108½	Hydro Quebec 15pc 2011	121½	......	12.89	12.11

AMERICANS

1990 High	1990 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
24⅝	18½	Abbott Laboratories‡	23¼xd	......	84c	–	1.8
610p	298p	♦Allegheny & W 1c	298p	-6	30c	–	5.1
10⅞	543p	Amdahl 5c	712p	-5	10c	–	0.7
34½	21¼	Amer. Cyanamid $5	27	......	$1.35	–	2.5
21⅞	8⅞	Amer. Express 60c	11⅞	+⅛	92c	–	4.2
28⅞	15⅞	American T. & T. $1	15⅞xd	+⅛	$1.32	–	4.2
42¼	27⅞	Ameritech $1	35	......	$3.16	–	4.6
58⅞p	116p	♦Asiamerica Equity‡	175p	-3	–	–	–
19⅞	8⅞	BankAmerica $1	12⅞xd	......	$1.00	–	4.1
27⅞	15⅞	Bankers N.Y. $1	21⅞xd	......	$2.33	–	5.4
35⅞	21	Bell Atlantic $1	28⅞xd	......	$2.36	–	8.4
36¼	25½	BellSouth Corp.	28⅞	......	$2.68	–	4.8
13⅞	5⅞	♦Bethlehem Steel $8	7⅞xd	......	40c	–	2.8
19⅞	816p	Bowater Inc.	1126p	-17	$1.20	–	5.4
9⅞	3⅞	Brunswick 75c	4⅞xd	......	44c	–	4.7
46⅞	35⅞	CPC Intnl 25c	41⅞xd	......	$2.00	–	2.4
930p	358p	California Engy.	434p	......	–	–	–
36⅞	23½	Campbell Soup 15c	38⅞xd	......	$1.16	–	1.9
21⅞	5⅞	Chase Manhattan $12½	5⅞xd	......	$1.20	–	22.6

AMERICANS – Contd

1990 High	1990 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
19¼	524p	Chem. Banking Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12½	5⅞	Chrysler $6¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18¼	5⅞	Citicorp $1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40⅞	29⅞	Colgate-Palm.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12⅞	386p	Cont'l Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
268p	51p	♦Corporate Da.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22¼	10⅞	Dana Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
768p	178p	Data General	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29⅞	18⅞	Dun & Brads.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37⅞	21	Eaton Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22⅞	13⅞	FPL Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29⅞	15	Fluor Corp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30⅞	12⅞	Ford Motor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41⅞	25⅞	Gen. Elect.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
441p	205p	♦General Hos.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35⅞	25⅞	Gillette $1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
315p	31p	Gt American B.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20⅞	10⅞	Greyhound Dl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12⅞	583p	Hasbro Inc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
60⅞	36⅞	Honeywell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21⅞	16	Houston Inds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
74	49⅞	IBM Corpn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35⅞	14⅞	Ingersoll-Ra.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25⅞	12⅞	Lockheed Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11⅞	7⅞	Lone Star In.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
28⅞	21⅞	Louisiana La.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	939p	Lowe's 50c	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22⅞	8⅞	Manuf. Hano.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16⅞	8⅞	Merrill Lynch	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14⅞	8⅞	Molex Inc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27⅞	16⅞	Morgan (JP)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30½	21⅞	Morris (Philip)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
56⅞	34⅞	NYNEX $1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21⅞	919p	PHH Corp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
195p	53p	♦Pacific Am.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22⅞	13⅞	Pall Corp. 25c	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55⅞	32⅞	Pennzoil $3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35⅞	21⅞	Quaker Oats	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32⅞	19⅞	Rep NY Corp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16⅞	10⅞	Rockwell Intl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25⅞	11⅞	Sears, Roebuck	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40⅞	24⅞	Southwestern Bell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25⅞	13⅞	Sun Co. Inc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31⅞	15⅞	TRW Inc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42⅞	20⅞	Tenneco $5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37⅞	28⅞	Texaco $6.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25⅞	12	Texas Instr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81⅞	34⅞	Time Warner	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18⅞	7⅞	TRINOVA Corp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22⅞	15⅞	USX $1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
408p	269p	♦Unilab	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36⅞	21⅞	Utd. Technologies	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
149p	57p	♦Utilitech Inc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25⅞	16⅞	US West	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25⅞	14⅞	Waste Management	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20⅞	907p	Whirlpool $1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20⅞	12⅞	♦Woolworth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1990 High	1990 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
9p	1p	♦Abbot Energy Corp.	9p	......	–	–	–
12⅞	896p	♦Amer. Barrick Res.	10⅞	+⅛	–	–	–
17⅞	11⅞	Bk. Montreal‡	13⅞	......	$2.12	–	7.0
883p	464p	Bk. Nova Scot.‡	559pxd	-11	$1.00	–	8.3
819p	609p	♦BC Gas $1	649p	......	60c	–	4.1
24½	15⅞	BCE‡	17⅞	......	$2.56	–	6.3
14⅞	616p	♦Brascan‡	752p	+12	$1.04	–	6.2
148p	26½p	♦Breakwater Res.	28½p	......	10c	–	15.6
17½	954p	Can. Imp Bank‡	1163p	-4	$1.32	–	5.1
14	775p	Can. Pacific‡	909p	-11	92c	–	4.5
37	30	Do. 4pc Deb £100	30½	......	4%	–	10.6
531p	157p	♦Central Cap 'A'‡	218p	-5	60c	–	12.6
428p	179p	♦Cons TVX Min.	192p	+2	–	–	–
579p	206p	♦Corona Corp.	215p	......	–	–	–
510p	268p	♦Derlan Inds.‡	268p	-1	28c	–	4.6
12¼	384p	♦Echo Bay Mines	482p	-6	7½c	–	0.9
395p	154p	♦ECO Corp‡	154p	-3	–	–	–
313p	95p	Gandalf Techs. Inc.	123p	......	–	–	–
141p	53p	Granges Explr.‡	64½p	-½	–	–	–
866p	442p	♦Gulf Canada‡	503p	......	52c	–	4.5
14	875p	♦Hawker Sid Can‡	972p	......	$1.08	–	4.9
11⅞	703p	♦Hudson's Bay‡	877p	......	80c	–	4.0
34½	25⅞	♦Imperial Oil‡	28	......	$1.80	–	3.0
17½	11⅞	Inco‡	13½	......	$1.00	–	3.8
113p	2½p	♦Muscocho Explo.	4p	-½	–	–	–
200p	8p	♦Nth West Gold‡	8½p	+½	–	–	–
462p	329p	Nova Corp of Alberta	381pxd	......	42c	–	4.9
12⅞	701p	♦Rio Algom	777p	-6	85c	–	4.8
13½	862p	Royal Bk. Can.‡	1034p	-27	$1.16	–	5.2
97½p	11p	♦Sonora Gold Corp‡	11½p	-2½	–	–	–
35½p	2p	♦Tara Pure Tech. Corp‡	3½p	......	–	–	–
11	652p	Toronto-Dom. Bk‡	754p	......	76c	–	4.4
923p	663p	♦Trans Can Pipe.	760p	+6	68c	–	3.9
200p	91p	Varity Corp‡	106p	-1	$1.30	–	–

Continued on next page

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BANKS, HP & LEASING

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
£13½	£9	ABN Amro Fl5	£9⅞	.....	Q28%	2.1	8.7	5.4
303	134	ANZ $A1	135	.....	Q38c	♦	11.2	♦
234	172	Abbey National 10p	226	-1	5.7	4.3	3.4	9.2
*274	128	Allied Irish Ord	149	-5	†Q40%	3.3	6.2	6.5
85	47	Anglo Irish	57	.....	Q17.9%	♦	7.0	♦
93	61	Ansbacher (H.) 1p	62	.....	2.5	1.3	5.4	17.8
£71⅛	£32	Bancaire Cie Fr100	£48½	+⅞	Q12½%	-	2.7	-
£22¼	£12¾	Banco Bilbao Viz	£13¾	-¼	Q49.1%	2.7	5.8	9.4
£58	£25¼	Banco de Santander	£25⅞	.....	Q24.7%	2.5	3.9	10.2
286	130	Bank Ireland Ir£1	159	-2	Q14.7%	2.9	8.3	5.6
£19½	£18	Bank Leumi	£19½	.....	-	-	-	-
351	320	Bank Leumi (U.K.)	350	.....	†15.0	-	5.7	-
129½	100	Bank Scotland	114	-1	†4.55	3.4	5.3	7.3
101¼	83¼	Do. 9¼pc Irrd Pf	96½	.....	9¼%	-	12.8	-
54	39	Bank of Wales	42	.....	2.8	0.8	8.9	(20.2)
428	290	Barclays £1	353	+4	†19.57	3.5	7.4	4.9
22	10	Benchmark 20p	12	+1	0.75	-	8.3	-
335	210	Brown Shipley £1	210xd	.....	‡12.0	2.2	‡	6.8
*435	285	Cater Allen £1	386	+1	F24.5	-	8.5	-
179	29	Chancery	44	.....	‡9.0	2.7	‡	1.8
£23¼	£14	Commerzbk DM10	£17¼	+⅛	Q18%	-	3.6	-
£13¼	620	Dai Ichi KBk Y50	759	+17	Q17%	6.2	0.4	35.8
*£313	£189	Deutsche Bk DM50	£218½	.....	Q28%	-	2.2	-
£20⅞	£14⅝	Espirito Santo	£16½	.....	Q75c	5.1	2.3	8.5
253	166	First Nat. Fin. 10p	185	+2	13.0	2.1	9.4	6.4
121	82	FNFC 6.3pc Cv. Pf	93	-2	6.3%	-	9.0	-
£13¼	633	Fuji Bank Y50	899	+25	†Q17%	6.9	0.4	38.2
325	262	Gerrard & National	311	.....	19.0	-	8.1	-
159	78	Guinness Mahon 10p	78	.....	1.45	♦	2.5	♦
328	194	Hambros 20p	235xd	-1	†11.5	-	6.5	-
128	88	Do. 7.5pc Cv Pf	99	.....	7½%	-	10.1	-
53½	29	HK & Shang. HK$2.50	31½	+2½	†bQ38c	-	8.1	-
478	373	Joseph (Leo) £1	378xd	.....	15.85	-	5.6	-
150	105	King & Shaxson 20p	125	.....	10.25	-	10.9	-
422	262	Kleinwort Benson Grp.	285	.....	16.0	2.5	7.5	6.7
642	316	Kyowa Bank Y50	395	+3	Q14%	♦	0.8	♦
316	220	Lloyds £1	282	-4	†13.3	2.6	6.3	6.6
56	44	Lon. Scot. Bank 10p	50	+1	†2.4	1.9	6.4	9.9
404	176	Midland £1	198	-11	†18.0	2.6	12.1	4.1
£14½	£10	Mitsubishi Bank Y50	£10	.....	†Q17%	♦	0.3	♦
£12¾	£4½	Mitsubishi Tst & Bk Y50	£6⅞	+⅛	Q17%	12.4	0.7	12.2
£10⅝	£4	Mitsui Taiyo Kobe Y50	£6	.....	†Q16%	6.0	0.5	37.8
904	410	Mitsui Tst & Bk Y50	529	+17	Q17%	♦	0.6	♦
326	220	Nat. Aust. Bk. A$1	221	.....	Q55c	♦	10.0	♦
368	227	NatWest £1	264	-5	†16.7	3.3	8.4	4.8
£210	£110	Ottoman Bank	£115	.....	Q110%	2.8	9.6	3.7
55	26	Rea Bros. Group	28	.....	0.5	3.2	2.4	14.0
227	119	Royal Bk. Scotland	154xd	-4	8.4	q2.5	7.3	7.3
795	338	Saitama Bank Y50	385xd	+3	♦Q14%	♦	0.7	♦
£12¼	567	Sanwa Bank Y50	737	+6	Q17%	6.7	0.5	32.3
902½	613	Schroders £1	698	.....	h12.5	5.9	2.4	9.4
712½	413	Do. £1 N/V	448	-5	h12.5	5.9	3.7	6.0
£25¼	£9⅛	Sec. Pacific $10	£10⅞	.....	Q$2.52	-	11.7	-
616	235	Standard Chard. £1	260	.....	35.0	1.4	17.9	(4.9)
£16⅛	£5½	Sumitomo Bank Y50	£7½	-⅛	†Q16%	7.5	0.4	30.6
£11	£4	Sumitomo Tst & Bk Y50	£6½	.....	Q17%	6.9	0.5	27.1
147	114	TSB	135	-2	†5.8	2.5	5.4	8.8
175	114	TSB Bank Ch'nel Is'l	122	.....	Q8.0	♦	6.8	♦
£463	£41⅛	Tokai Bank Y50	£5½xd	+⅛	Q16%	4.1	0.8	38.5
920	484	Toyo Tst & Bk Y50	673	+9	†Q15.2%	6.9	0.5	30.1
611	499	Union Discount £1	545	+2	33.0	-	7.8	-
525	284	Warburg (S.G.)	331	-1	15.0	3.0	6.0	7.4
180	98	Do 6pc Cnv Prf	115	.....	6%	-	7.0	-
279	147	Westpac $A1	147	.....	Q52.5c	♦	14.6	♦
420	300	Wintrust 20p	303	.....	8.7	4.2	3.8	8.4
969	509	Yasuda Tst & Bk Y50	599	+5	Q17%	♦	0.6	♦

Hire Purchase, Leasing, etc.

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
175	40	CLF Yeoman 50p	50	.....	‡Q18.5%	3.2	‡	2.4
71	44½	Cambridge Grp Ir5p	44	.....	†Q7¼%	15.6	0.7	11.2
95	11	Capital Leasing Ir10p	38	.....	Q12%	3.5	2.8	9.4
68	50	Cattle's (Hldgs) 10p	60	+1	‡3.8	1.9	9.0	8.6
426	362	Prov. Financial	411	+3	†20.5	2.1	6.7	9.5
*232	130	Reflex Ins. Ir5p	139	+1	†Q51%	7.9	1.7	10.2
225	192	Secure Trust Grp. 1p	195	-2	18.5	2.8	5.8	8.2
210	135	Woodchester IR20p	167	-3	†Q16.7%	5.9	1.8	12.4

BEERS, WINES & SPIRITS

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
520	408	Allied-Lyons	487xd	+2	†16.95	2.3	4.6	10.5
£26⅛	£18	Anheuser-Busch $1	£21⅞	+¼	Q$1.00	-	2.3	-
1128	895	Bass	1069xd	+16	32.4	q3.0	4.0	10.5
170	129	Boddington	138	.....	†5.1	2.3	4.9	11.6
206	161	Bulmer (H.P.) 5p	190	-4	†7.65	1.7	5.5	12.6
227	131	Burtonwood Brewery	131	-4	3.98	3.1	4.1	9.3
400	290	Clark (Matthew)	357	+12	13.5	2.7	5.0	9.7
286	115	Devenish (J.A.) 5p	144	+10	5.3	♦	5.1	♦
225	85	Do 4.5pc Cv 2ndPf.	100	+5	4½%	-	6.0	-
167	93	Eldridge, Pope "A" 50p	114	+1	4.1	♦	4.9	♦
115	46	Fosters Brewing A$1	58	.....	Q8½c	0.7	5.7	25.7
430	335	Fuller, S.T.A. "A" £1	405	+5	†5.5	4.3	1.8	16.8
725	525	Kirin Brewery Y50	616	+10	Q13%	4.0	0.5	54.8
625	548	Macallan-Glenlivet	593	.....	†1.06	8.1	0.2	67.2
590	380	Macdonald Marts 'A' 10p	515xd	.....	16.4	5.1	1.7	15.9
480	375	Mansfield Brewery	420xd	-3	†11.3	3.4	3.6	10.3
222	159	Marston Thompson	191xd	.....	†4.02	3.3	2.8	14.4
513	351	Merrydown Wine	498xd	.....	†6.22	3.5	1.7	22.1
405	250	Morland	253xd	.....	6.45	♦	3.4	♦
391	278	Scott & New 20p	364	+7	†13.0	2.5	4.8	10.8
£37⅞	£37⅛	Seagram	£45	-⅛	US$2.00	-	2.3	-
329	191	Vaux Group 10p	207	.....	8.76	♦	5.8	♦
489	360	Whitbread 'A'	452xd	+4	†14.8	2.8	4.4	10.2
79	56	Wiltshire Brewery 5p	57	.....	1.5	-	3.5	-
430	339	Wolv. & Dudley	418	+7	9.3	♦	3.0	♦
495	425	Young Brew 'A' 50p	425xd	-5	†11.5	2.0	3.6	18.4
415	330	Do. Non. V. 50p	330xd	-5	†11.5	2.0	4.6	14.3

BUILDING, TIMBER, ROADS

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
252	160	AMEC 50p	207	+6	‡9.5	3.3	6.1	6.5
125	80	Do. 6½p Cm Cv Pf	103	+1	6½%	-	8.6	-
130	90	Abbey	66	.....	-	-	-	-
363	28	Albrighton	41	.....	‡7.0	1.7	‡	2.2
116	76	Allen 5p	88	.....	4.8	3.2	7.3	5.7
159	27	Amco Corp	33½	.....	-	-	-	-
132	25	Anglia Sec 10p	25	.....	-	-	-	-
155	83	Arncliffe 10p	83	.....	‡6.75	4.5	‡	2.7
283	130	Ashtead Group 10p	130	.....	3.75	7.6	3.8	4.6
*265	185	Attwoods 5p	215xd	.....	‡4.75	1.9	2.9	21.0
128	121	BMSS 10p	126	.....	†4.38	3.3	4.6	8.7
263	160	BPB Inds. 50p	178xd	+2	11.25	1.8	8.6	7.4
144	72	Baggeridge Brick	72	-2	3.13	♦	6.0	♦
71	25	Bailey (Ben) 10p	31	-2	1.9	6.0	8.2	2.7
127	71	Baldwin 10p	77	.....	†2.55	2.6	4.4	11.6
180	70	Ball (A.H.) 5p	75	.....	6.75	1.8	12.0	6.1
51	13	Banner Homes 10p	13	.....	0.8	3.7	8.2	4.3
185	94	Bardon Grp 10p	102	.....	a3.81	3.2	5.0	8.1
216	88	Barratt Dev. 10p	97	.....	9.0	1.2	12.4	9.1
178	81	Beazer 10p	95	-1	7.75	2.2	10.9	5.0
217	144	Bellway	213	-1	11.0	♦	6.9	♦
41	9	Bellwinch 10p	11	.....	-	-	-	-
259	142	Berkeley Group	235	.....	4.5	0.6	2.4	-
142	105	Bett Bros. 20p	105xd	.....	6.4	2.9	8.1	5.6
173	127	Birse Group 10p	130	.....	3.75	3.6	3.8	8.5
155	87	Blockleys 20p	102	.....	4.81	2.3	6.3	9.0
271	163	Blue Circle 50p	218	-1	†11.0	2.4	6.7	7.4
141	99	Do. 7¼pc Cv Rd Pf	115	.....	7¼%	-	8.8	-
468	423	Boot (Henry) 50p	440	.....	†21.0	2.9	6.4	7.1
125	82	Breedon	83	.....	†4.25	2.2	6.8	9.0
385	355	BB & EA	385	.....	2.5	6.6	0.9	21.7
165	105	British Dredging	107	.....	7.0	2.0	8.7	7.6
123	75	Bryant Group	90xd	-1	b4.8	1.3	7.2	15.5
121	86	Bucknall Austin 1p	86	.....	4.6	2.7	7.4	6.3
115	71	CALA 5p	78	-3	3.4	4.4	5.8	5.2
34	9	CCS Group 20p	10xd	.....	0.55	1.0	7.3	7.7
38	25	CMW Group 5p	31	.....	b1.25	6.5	5.4	3.8
284	189	CRH	222	-2	†Q28%	3.7	2.8	12.8
83	37	Cakebread Robey 'A'	40	.....	†2.7	0.6	9.0	23.3
178	100	Colroy 10p	178	.....	‡8.25	2.5	6.2	8.5
183	35	Conder Group 5p	45	.....	‡h3.3	-	‡	-
103	49	Cooper Clarke Grp. 10p	53	.....	4.5	2.0	11.3	5.9
110	23	Copson (F.) 5p	23	.....	1.0	0.5	5.8	-
318	177	Costain Group	197	+1	12.25	1.2	8.3	12.9
231	60	Countryside Props	84	+1	4.11	♦	6.7	♦
217	59	Crest Nichol 10p	90	.....	7.65	1.4	11.3	8.5
85	30	Do 5½pc Cv Cm.Rd.Pf.	44	-1	5½%	-	16.7	-
37	10	Creston 10p	10	.....	1.0	-	13.3	-
103	50	Crosby (James) 10p	70	.....	‡3.75	6.3	‡	2.7
31	21	Danelon Tyzon 10p	23	.....	0.75	♦	4.3	♦

BUILDING, TIMBER, ROADS – Contd

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
111	79	Tay Homes	104	.....	4.8	5.4	6.2	4.0
325	183	Taylor Woodrow	211	-4	†9.0	2.3	5.7	9.7
665	415	Tilbury Group	510	.....	†32.0	2.7	8.4	5.9
75	35	Torex Hire 10p	35	.....	2.4	2.3	9.1	6.6
217	150	Travis Perkins 10p	197	-1	8.0	2.2	5.4	11.1
111	48	Try Group	48	.....	6.0	2.4	16.7	3.3
41	23	Tudor 20p	23	.....	2.7	1.8	15.7	4.1
325	169	Turriff Corp	169	-5	15.0	3.4	11.8	3.0
63	3	Vectare Plant Grp. 5p	3½	+½	-	-	-	-
172	71	Vibroplant 5p	72	.....	3.6	4.6	6.8	4.3
355	113	Ward Group 5p	135	+7	7.2	4.2	7.1	4.4
95	48	Ward Hldgs. 10p	75	.....	2.6	3.3	4.6	8.8
447	315	Watts Blake	416	.....	†8.6	3.1	2.8	15.3
98	27	Wescol Group 10p	30	.....	‡4.5	2.0	20.0	2.7
233	121	Westbury 10p	173	-2	9.0	2.2	6.9	8.9
125	33	Westminster Scaffdg 10p	33	.....	†15.0	1.8	20.2	3.7
91	7	Wiggins Group	14	-2	-	-	-	-
348	240	Wilson Bowden 10p	342	.....	†7.6	5.0	3.0	8.9
181	141	Wilson (Connolly)	165	-2	†3.45	5.0	2.8	9.5
267	163	Wimpey (Geo)	202	.....	10.5	2.1	6.9	9.0

CHEMICALS, PLASTICS

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
£46½	£19¼	Akzo Fl 20	£23⅞	+¼	Q40%	2.7	10.0	3.6
173	107	Allied Colloids 10p	124	+3	†3.2	3.2	3.5	12.0
65	46	Amer Plastic Tech 1c	49	.....	Q2.5c	2.8	2.6	13.5
401	245	Amersham Intl	309	+1	11.8	3.0	5.2	7.1
65	5	Astra Hldgs	11	.....	-	-	-	-
£115¼	£62	BASF AG DM50	£74	-3	sQ26%	2.5	5.9	6.8
*178	138	BTP 10p	165xd	.....	†q7.85	1.4	6.3	13.1
£118¼	£66½	Bayer AG DM 50	£78½	-¼	Q26%	2.5	5.6	7.2
194	132	Blagden Inds	137	-3	†9.1	1.6	8.9	8.1
167	125	Brent Chems 10p	152	-1	†6.8	1.8	6.9	9.5
234	35	Caird Group 10p	42	.....	Z3.54	-	11.2	-
148	37	Do. 7p Cv Pf 2009 10p	41xd	.....	7.0	-	22.8	-
17	8	Cambridge Isotope 1c	15	.....	-	-	-	-
239	88	Canning (W.)	104	.....	†7.15	2.3	9.2	5.6

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS – Contd

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
500	50	First Technology 10p	60	+5	9.0	3.2	20.0	2.0
75	29	Forward Group 5p	42xd	.....	1.0	0.3	3.2	-
51	10	Forward Tech	12	.....	‡1.8	0.3	‡	-
673	361	Fujitsu Y50	391	+6	†Q18%	4.8	0.9	22.5
245	169½	GEC 5p	176	-1	9.25	2.0	7.1	9.0
65	46½	Gardiner Group 5p	49	.....	q10.9	3.5	2.4	12.2
308	188	Goring Kerr 10p	188	.....	15.0	1.5	10.6	8.5
*692½	480	Harland Simon 10p	495	.....	†q6.0	6.4	1.6	13.1
£30⅝	£12¼	Hewlett-Packard $1	£16½	.....	Q42c	-	1.3	-
54	5	Holmes Protect. 1c	5	.....	-	-	-	-
48	33½	Hong Kong Telecom	41	-1	Q22.5c	1.5	4.2	16.5
369	242½	Hoskyns Group 5p	353	-5	2.4	♦	0.9	♦
117	85	INSTEM 10p	90	.....	†2.5	5.9	3.7	6.1
55½	34	Johnson Elect	36½	.....	Q20c	2.0	3.7	13.6
235	160	Jones Stroud	168	-5	8.0	2.3	6.8	7.9
39	22	Kembrey 5p	22	.....	-	-	-	25.9
325	145	Kewill Systems	195	.....	4.5	4.9	3.1	8.3
85	43	Klark-Teknik 5p	68xd	.....	♦a0.75	3.3	1.5	10.7
145	120	Kode Int	125	.....	7.5	-	8.0	-
73	41	LPA Industries 10p	41	.....	‡3.2	1.9	10.4	6.7
85	26	Laser-Scan 5p	28	.....	-	-	-	-
145	55	[illegible] 10p	55	.....	d2.2	1.0	5.3	23.9
340	270	Lec Refrigeration	275	.....	14.5	0.4	7.0	72.6
63	43	LEICA 5p	53xd	.....	†0.94	4.0	2.4	11.3
13	6½	Lexicon Inc 1c	10	.....	Q0.25c	-	1.3	-
102	74	Life Scienc's Int. 10p	87	.....	†q2.3	2.4	3.5	13.3
358	139	Logica 10p	164	-5	3.4	3.3	2.8	14.5
143	23	Logitek 5p	28	+1	3.9	3.7	18.6	1.7
165	89	MMT Compt. 5p	89	-3	3.0	3.4	4.5	8.5
146	121	MTL Instrs Grp 10p	126	-2	†2.4	5.1	2.5	10.0
313	228	Macro 4 5p	233	-2	8.9	2.3	5.1	11.4
58	38	Magnetic Materials 10p	39	.....	3.0	1.8	10.3	6.9
192	145	Memec 10p	149	-1	†6.0	2.8	5.4	8.7
370	265	Menvier-Swain 5p	265	.....	6.8	3.5	3.4	10.6
183	151	Microlec Group 5p	160	.....	†4.0	2.9	3.4	13.5
185	142	Microfilm Rep	142xd	-2	b3.0	3.1	2.8	15.1
843	446	Micro Focus 10p	788	.....	-	-	-	12.9
139	105	Microgen Hldgs. 5p	120	.....	†6.7	1.5	7.4	12.1
35	16	Microvitec 5p	16½	.....	‡1.5	1.9	‡	5.9
£14⅝	£3¼	Millicom Inc. 1c	£4⅛	.....	-	-	-	-
377	77	Misys 5p	78	-2	5.28	♦	9.0	♦
493	226	Mitsubishi Elect Y50	262	+4	†Q16%	2.9	1.3	26.6
113	74	Molynx 20p	79	.....	†3.25	4.2	5.5	5.7
£51¼	£25¼	Motorola $3	£25¼xd	.....	Q76c	-	1.5	-
78	56	Multitone Elect	63xd	.....	†1.0	4.7	2.1	13.4
857	474	NEC Corpn Y50	512xd	+3	Q20%	4.4	0.8	29.4
110	76	Neotronics Tech. 5p	97	.....	†1.8	3.3	2.5	16.1
67	18	Nesco Invests	19	.....	b2.4	-	16.8	-
195	93	Tunstall Group 5p	107xd	.....	5.0	♦	6.2	♦
361	220	Unidare	220	.....	Q7.4%	1.6	5.9	10.4
399	238	Unitech 10p	238	-9	11.7	1.2	6.6	(16.0)
85	28	Utd. Scientific	48	.....	†2.0	-	5.6	-
16½	7½	Vistec 1p	9	.....	‡0.1	3.0	‡	29.7
315	222	Volex Group	232	+2	17.0	1.7	10.1	7.9
66	24	Wstn. Select 20p	25	-1	‡2.0	-	‡	-
14½	5	Wharfedale 10p	6	.....	-	-	-	♦
380	283	Wholesale Fitg 10p	288	-2	16.62	1.7	7.7	10.2

ELECTRICITY

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
149½	140	Eastern Elect 50p	142½	-½	R14.45	1.6	6.8	10.8
169	141	East Midlands Elec 50p	148	+4	R15.04	1.7	7.0	10.1
152½	138	London Elect 50p	144	+2½	R14.9	1.7	6.9	10.1
179	159	Manweb 50p	173	+1	R16.0	1.8	6.8	9.4
159½	137	Midlands Elect 50p	144	+2	R15.04	1.8	7.1	9.2
157½	139	Northern Elect 50p	144	-1	R16.25	1.9	7.6	8.3
156	146	Norweb 50p	151	+4	R15.63	1.7	7.2	10.6
£1600	£1450	Reg Elec Pkg Unit	£1515	+22	-	-	-	-
151	139	Seeboard 50p	149	.....	R14.78	1.7	6.8	10.9
157	142	Southern Elect 50p	147½	+1	R14.45	1.6	6.7	10.8
170	159	Sth Wales Elect 50p	167	+3	R15.96	1.9	6.9	9.4
158	144	Sth Western Elect 50p	150	+1	R15.2	1.6	7.0	10.9
173	132½	Yorkshire Elect 50p	160	+5	R15.44	2.1	6.7	8.9

ENGINEERING

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
157	69	APV 10p	92	+3	†5.4	2.2	7.8	7.1
297	213	ASW Hldgs	225	.....	†11.0	3.9	6.5	5.9
38	2½	AT Trust 30p	2½	.....	-	-	-	0.5
176	77	Adwest Group	85	.....	7.0	1.7	11.0	6.2
70	46	Aerospace Eng	53	-2	3.12	1.7	7.8	9.9
127	68	Ash & Lacy 5p	91	-4	6.4	2.1	9.4	6.6
690	470	Atlas Conv Eqp 5p	655	.....	†15.0	3.1	3.1	14.0

ENGINEERING – Contd

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
165	85	Triplex Lloyd	93	-2	7.0	2.5	10.0	4.6
96	78	UMECO	80	.....	†3.82	2.5	6.5	8.4
42	20	Utd. Industries 10p	20	.....	‡3.0	1.1	‡	(5.9)
407	276	VSEL Consortium £1	335	.....	†20.0	3.7	8.0	3.9
*48	35	Verson Intl 10p	35xd	.....	†q0.81	3.1	3.1	11.3
246	172	Vickers 50p	197	+4	†8.9	2.5	6.0	8.0
415	365	Victaulic	401	+6	†9.75	3.1	3.2	12.6
259	202	Vosper Thornycroft	234xd	.....	†9.88	2.8	5.2	7.8
30	12½	WB Industries 10p	14	.....	-	-	-	-
365	289	Wagon Industr'l	343	-1	†16.0	2.1	6.3	8.9
*293½	228½	Weir Group	246	.....	†q8.0	2.7	4.3	11.1
41	28½	Wellman 5p	29½xd	-½	†2.1	3.9	9.5	3.2
136	99	Westland 2½p	119	+2	3.75	♦	4.3	♦
149	99	Whessoe	132xd	.....	6.25	3.6	6.3	5.9
140	39	Wheway	48	.....	‡3.0	2.8	8.3	5.4
83	26	Wood (S.W.) 20p	38	.....	0.1	-	0.4	-

FOOD, GROCERIES, ETC

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
137	87	ASDA Group	119½	+½	4.8	2.3	5.4	10.7
143	95	Acatos & Hutch's 50p	95	-3	†7.0	1.2	‡	11.1
27	7	Alpine Group 10p	7	.....	-	-	-	-
95	16	American Dist. 5p	18xd	.....	‡3.0	2.9	‡	1.7
248	173	Appleby W'ward 20p	235	.....	†8.0	3.0	4.6	9.8
110	72	Appletree Hldgs. 10p	74	-1	†4.1	1.8	7.4	9.0
257	198	Argyll Group	251xd	+1	†7.25	2.7	3.9	12.8
*114	83	Ashley Grp. 5p	99xd	+1	1.62	♦	2.2	♦
145	110	Do 8.25p(Net) Cv Pf.	125	.....	8.25	-	8.8	-
425	372	Ass. Brit. Foods 5p	418	-3	†11.0	3.7	3.5	9.2
158	105	Ass. Fisheries	114	.....	6.0	0.8	7.0	(26.5)
101	66	Avonmore Foods A Ir5p	76	+2	Q54.7%	6.3	3.5	7.8
£96	£72	BSN Fr 10	£76½	+1	Q100%	4.2	1.4	17.6
313	180	Sims Food Grp 5p	195xd	.....	9.83	2.0	6.7	9.7
50	23	Sutherland Hldgs	40	.....	†1.5	-	5.1	-
320	233	Tate & Lyle	273xd	+4	10.0	q3.0	4.9	7.6
152½	113	Do. 7.25p Cv.Rd.Pf.	126	+1	7.25	-	7.7	-
120	40	Taveners 20p	40	.....	1.5	4.0	5.0	5.3
251	188	Tesco 5p	232	+1	†4.3	3.7	2.5	14.5
152	114	Thorntons 10p	152	.....	3.3	3.5	2.9	13.3
126	53	Treatt 10p	53	.....	3.25	2.9	8.2	5.5
361	258	Unigate	270	+1	15.3	1.8	7.6	9.5
377	305	United Biscuits	322	-2	†13.6	2.0	5.7	10.8
140	73	Do. Wrrnts. ('91)	83	.....	-	-	-	-
31	19	Usborne 10p	20	+1	1.5	1.2	10.0	10.9
*108	73	Wardell Roberts 10p	93	.....	†Q8.1%	3.5	3.9	9.9
238	182	Watson & Philip 10p	236	.....	11.6	♦	6.8	♦
£24½	£17¾	Wessanen (Kon) DFl5	£20	-⅛	Q48.8%	2.1	3.7	12.9

HOTELS AND CATERERS

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
66	33	Aberdeen Stk 5p	34	.....	‡0.75	-	‡	-
50	31	City Centre Rest	41½	.....	1.27	2.9	4.1	11.1
21	10	Courtyard Leis. 5p	14	.....	0.5	1.5	4.8	12.3
305	205	Friendly Hotels 10p	219	.....	†3.35	7.8	2.0	6.5
46	11	Harrapay Leisure 5p	14	.....	-	-	-	-
*190	105	Jurys Hotel	116	.....	Q7.8%	2.6	5.4	10.0
347	230	Ladbroke 10p	259	-1	†9.79	2.3	5.1	10.0
49	27	Mandarin Oriental 5c	31	+1	Q39c	♦	8.4	♦
66	16	Principal Hotels 5p	25	.....	1.0	2.4	5.3	(9.2)
120	80	Queens Moat 5p	88	+1	†2.28	2.8	3.5	12.9
251	176	Do. 7pc Cv Pf £1	193xd	.....	7%	‡	4.8	-
154	23	Regal Hotel Grp 2p	26	+1	-	-	-	-
112½	68	Resort Hotels 50p	70	-1	3.25	2.4	6.2	7.8
67	43	Ryan Hotels Ir 5p	48½	+½	Q8.6%	2.8	4.5	10.3
925	830	Savoy "A" 10p	890	.....	7.0	4.0	1.0	31.6
98	43	Stakis 10p	44	+1	2.7	♦	8.5	♦
318	210	Trusthouse Forte	247	-2	†q9.44	1.7	5.2	12.9

INDUSTRIALS (Miscel.)

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
180	120	AAF Inv. 7½p	128	.....	†q8.0	2.0	6.7	(7.2)
426	299	AAH	330	-8	†13.5	2.2	5.5	11.2
212	97½	ADT $0.01	113	-2	Q18c	1.4	8.1	8.7
£30⅞	£21¼	AGA AB K25	£25¼	-½	Q28%	1.6	2.5	25.4
323	115	AIM 10p	135	+2	9.0	1.1	8.9	13.3
*69½	20½	ASB Barnett 2p	28	+1	-	-	-	-
113	38	ASD	51	.....	‡3.4	4.2	‡	3.6
83	48	Do. 8p Cnv Prf	51	.....	8.0	-	20.9	-
211	81	Abbeycrest 10p	82	-2	†3.4	5.4	5.9	4.2
24½	11½	Aberfoyle Hldgs. 5p	11½	-½	-	-	-	2.1
135	75	Airsprung Furniture 10p	138	.....	†5.5	2.9	5.5	8.2
229	153	Alex'dra W'kwear 10p	158	.....	†4.7	3.4	4.0	9.7
£26⅞	£14¼	Alfa-Laval AB'B'Sk12.5	£17½	-⅛	Q42%	2.7	2.8	13.5
59½	20½	Allied Part. 5p	20½	.....	2.0	2.4	13.0	4.1
257	163	Alumasc	197	.....	9.0	2.9	6.1	7.5
400	330	Amber Ind. 10p	330xd	.....	†16.0	2.3	6.5	8.8
43	18	Amberley Group 2½p	20	.....	1.5	2.0	10.0	5.9
208	130	Amer. Bus. Syst. 5p	130	.....	†2.4	7.2	2.5	5.9
£22½	712	Amer Group Frer A	863	+70	Q7.9%	3.7	5.8	8.2
61	19½	Anglo Utd	32½	+1	1.4	2.7	5.8	7.2
8	1½	Antares Group 5p	3	.....	-	-	-	-
133	98	Apollo Metals 10p	131xd	.....	3.0	♦	3.1	♦
18½	8	Apollo Watch Prods 1p	8	.....	0.5	1.7	8.3	4.3
75	6	Arley	60	.....	‡2.8	1.7	‡	1.2
46½	31	Armour Trust 10p	33½	.....	1.35	4.1	5.4	6.0
180	93	Assoc Brit Cnslts 20p	93	-15	6.4	3.2	9.2	4.5
5¼	2¼	Assoc. Br. Eng. 1p	2¼	.....	0.1	2.9	4.8	7.8
210	130	Do. 6pcCumCnvRdPf	130	.....	6%	-	8.2	-
333	173	Assoc Brit Ports	199	+1	†h6.25	3.8	4.2	8.3
16	3	Assoc. Energy 5p	4½	.....	-	-	-	-
*88	55	Associated Farmers	55	.....	-	-	-	39.4
207	141	Assoc. Nursing Srvs 10p	151	.....	3.0	2.4	2.6	(17.3)
£56½	£36½	Astra AB B Sk12½	£45⅞	-⅛	Q20%	4.0	0.5	-
123	42	Aukett Assocs. 5p	45	.....	†4.0	2.8	11.9	3.7
530	223	Avon Rubber £1	253	+1	16.5	♦	9.1	♦
190	103	BBA Group	113½	+1	†7.25	2.5	8.5	5.2
110	68	Do. 6.7pc Cm Rd Cv Pf.	73	.....	6¾%	-	12.3	-
276	158	BET	166	+2	†13.0	1.9	10.4	6.3
99	23	BLP Group 10p	23	.....	‡2.0	0.5	‡	(38.5)
611	438	BOC Group	503	+10	♦20.4	2.1	5.4	9.9
75	39	BSG Int. 10p	46	.....	3.2	1.9	9.3	7.6
395	290	BSS Group 20p	292	+2	17.25	2.6	8.0	6.1
469	263	BTR	332	.....	†15.0	2.0	6.0	9.5
221	57	Do. Warrants 92/93	85	-1	-	-	-	-
123	23	Do. Warrants 93/94	34	.....	-	-	-	-
64	58	Do. Warrants 94-95	57	.....	-	-	-	-
148	94	BTR Nylex A$0.50	98	.....	†Q11½c	3.4	4.4	6.6
*52½	12	BTS 10p	12	.....	†0.75	5.4	8.3	1.6
234	192	Baird (Wm.) 50p	209	.....	18.4	3.0	5.4	8.4

INDUSTRIALS (Miscel.) – Contd

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
12	3	Clearmark 5p	4¼	-¼	-	-	-	3.3
18	7½	Colorgen Inc. $0.01	7½	.....	-	-	-	-
43	15	Comac Group 5p	15	.....	-	-	-	♦
228	160	Community Hospital	160	.....	5.2	2.7	4.1	11.2
71	7	Co. of Designers 5p	9	.....	‡3.5	0.9	‡	2.8
288	100	Computer People 5p	100	-5	†5.85	3.8	7.8	4.3
71	36	Cont. Stationery 10p	36	-2	4.0	2.2	15.3	3.7
306	49	Cookson 50p	101	+2	9.0	2.2	11.9	(4.3)
210	100	Cooper (Alan) 10p	101	.....	7.7	2.1	10.2	6.3
75	41	Copymore 5p	42	.....	d2.5	0.1	8.1	-
131	101	Cornwell Parker "A" 5p	137	+2	5.5	2.7	6.3	7.7
235	132	Cosalt	134xd	.....	10.75	2.1	10.7	5.8
391	267	Courtaulds	343xd	+1	†11.1	3.2	4.3	9.7
170	15	Courtney Pope 5p	33	+3	3.75	-	15.2	-
52	7	Cowan de Grt. 10p	10½	.....	1.25	-	15.9	-
703	490	Crean (J.) Units	505	.....	†Q81.1%	20.8	3.9	10.5
155	100	Creighton Naturally 20p	145	.....	†5.6	1.6	5.2	(16.1)
61	26	Cresta Hldgs. 10p	31	.....	†1.8	5.3	7.7	2.7
£213¼	£206	Daimler Benz DM50	£207	+1	Q37½%	-	3.0	-
125	81	Darby Grp. 5p	83	.....	3.3	2.7	5.3	8.8
110	76	Dauphin 5p	76	.....	†4.8	2.8	8.4	5.7
130	50	Davies (D.Y.) 5p	50	.....	5.7	2.8	15.2	3.1
173	106	Davis (Godfrey)	120	.....	†7.85	2.0	8.7	7.8
193	122	Dean & Bowes 5p	122	-2	†6.0	2.0	6.6	9.1
313	207	De La Rue	301	.....	13.25	1.6	5.9	(12.4)
36	10	Delaney 10p	10	.....	‡1.5	-	‡	-
28	12	Dinkie Heel 5p	13	.....	0.95	2.6	9.7	5.3
220	159	Diploma 5p	201xd	.....	8.5	♦	5.6	♦
95	56	Dobson Park 10p	66½xd	-½	5.75	♦	11.5	♦
139	65	Doctus 5p	66	.....	3.5	♦	7.1	♦
121	88	Dolphin Pack 5p	93	.....	†3.7	2.2	5.3	10.9
£24½	£14	Dover Corp. US$1	£18¾	.....	Q80c	-	2.1	-
178	132	Dyson (J. & J.)	137	.....	5.0	2.5	4.9	10.3
103	60	Do. 'A'	60	.....	5.0	2.5	11.1	4.5
481	273	ECC	333	-5	19.6	2.0	8.2	7.8
90	23	EFG	35	.....	‡3.5	1.4	13.3	6.9
327	250	EIS	265	.....	†10.45	2.4	5.3	10.1
1150	700	Elan Corp Ir0.04	£9	+¼	-	-	-	-
46	18	Elbief 10p	20	.....	0.47	♦	3.2	♦
		For Elders see Fosters Brewing, BEERS						
126	55	Eleco 10p	58	.....	6.2	0.5	14.3	17.4
£31	£11¼	Electrolux BKr25	£15¼	-⅛	Q50%	3.0	7.9	4.2
82	67	Elga Group 5p	70	.....	†2.0	3.5	3.8	9.9
£28¼	£10⅞	Elkem AS NK50	£11¼	.....	Q20%	6.9	8.4	1.8
15½	8	Elswick 5p	9½xd	.....	†0.8	2.8	8.4	5.7
73	42	Ensor Hldgs 10p	42	.....	3.3	2.8	10.5	4.6
202	28	Erskine House Group	44	.....	6.65	2.2	19.3	2.7
89	20	Do. 7¼pc Cv Pf	34	.....	7¼%	-	26.9	-

INDUSTRIALS (Miscel.) – Contd.

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
97	75	Sheldon Jones	77	.....	‡4.73	2.2	8.2	7.5
113	70	Shiloh	78	.....	‡2.63	3.9	4.5	7.6
150	101	Sidlaw Group	131xd	.....	8.0	♦	8.1	♦
530	245	Siebe	325	.....	†15.0	3.1	6.3	6.0
101	75	Silentnight 10p	88	.....	5.0	2.1	7.6	8.1
120	51	Silvermines 2½p	59	.....	†Q22%	4.5	8.4	3.3
*252	205	Sinclair (Wm.)	225	.....	q6.3	2.7	3.8	13.2
*374	74	Sketchley	81	.....	‡q6.3	1.1	‡	(11.0)
137½	88½	Smith & Neph 10p	103½	+2	4.25	1.8	5.5	12.1
21½	6	Wilshaw 5p	6½	.....	0.35	3.2	7.0	5.5
339	232	Wolseley	280xd	-3	12.1	2.8	5.8	7.9
157	113	Wood (Arthur) 5p	117	.....	4.1	2.3	4.7	12.5
158	90	Worcester 10p	93	.....	†3.82	3.9	5.6	6.5
50	30	Worthington (A.J.) 10p	36	.....	0.63	5.2	2.5	8.8
90	61	Wyko Group	62	.....	3.75	2.5	8.1	6.3
287	40	Wyndham Grp 15p	52	+2	‡6.0	6.3	‡	1.2
105	35	YRM 10p	48	-2	5.0	2.9	13.9	3.4
329	152	Yale & Valor	187	-2	10.05	2.7	7.2	6.3
88	36	Young (H.)	50	.....	6.0	0.3	16.0	24.0

INSURANCES

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	Alexander & Alexander	£11⅞	.....	Q$1.00	-	4.3	-
£59	£43¼	Do. 11pc Cnv $100	£50	.....	Q11%	-	11.0	-
*£108¾	£65¼	Allianz AG DM50	£76¼	-2½	Q32%	-	0.7	-
141	114	Allied Ins. Brks	114	.....	†3.5	3.0	4.1	10.8
£30⅛	£12½	American Gen Corp	£15½	.....	Q$1.00	-	3.3	-
£65⅜	£29¼	American Int'l Grp $2.50	£39	.....	Q48c	-	0.7	-
£26⅜	£13¼	Aon Corp $1	£17⅞	.....	Q$1.52	-	4.4	-
143	83	Archer (A.J.) 1p	97	.....	8.4	♦	12.2	♦
70	50	Berry, Birch 10p	55	.....	-	-	-	11.4
278	194	Bradstock Group 5p	215	-2	9.6	♦	4.8	♦
729	548	Britannic 5p	658	-1	†20.75	-	4.3	-
539	364	Comm. Union	487	+6	†21.5	1.0	5.9	23.2
		For Dewey Warren see Sterling Tst, FINANCE LAND						
368	271	Dom. & Gen 10p	368	.....	10.5	3.0	3.8	11.9
54	38	Durham (D.G.) 10p	45	.....	2.0	2.4	5.9	(7.8)
138	43	FAI Insurances $A0.10	43	.....	[illegible]	0.8	8.6	9.4
96	71	FBD Hldgs Ir50p	72½	.....	Q1.2%	♦	1.8	♦
634½	418	Gen. Accident	485	-5	†25.0	1.0	6.9	15.9
367	163½	GRE 5p	186	-1	†11.5	-	8.2	-
555	360	Heath (C.E.) 20p	466	.....	25.8	1.3	7.4	14.1
260	101	Hibernian Grp Ir25p	131½	.....	†Q26.6%	3.2	4.6	9.4
*178	133	Hogg Group	168	.....	†8.0	1.7	6.4	12.1
440½	344	Legal & General	385	+4	†15.6	1.0	5.5	23.5
£38	£16	Lincoln Nat Cpn	£20½	-¼	Q$2.60	-	6.4	-
321	265	Lloyd Thompson 5p	309	.....	7.5	2.1	3.3	17.1
394	274	Lloyds Abbey Life 5p	336	-1	17.0	-	6.7	-
373	293	London & Man	317	.....	†12.09	1.0	5.1	25.1
£49	£31½	Marsh McLenn $1	£38¼	.....	Q$2.60	-	3.4	-
90	39	PWS Holdings 10p	[illegible]	.....	‡3.0	2.3	4.4	11.2
245	187	Prudential 5p	208	-2	†9.2	1.2	6.1	16.6
722	549	Refuge 5p	609	.....	†q4.25	0.8	5.5	(31.5)
588	337	Royal Insce. Hldgs	400	+8	†25.5	-	8.3	-
78	43	Saltire Ins. Invs	48	.....	0.99	1.9	2.8	24.9
318	166	Sedgwick Group 10p	230	+3	12.0	1.0	7.0	(19.2)
£22¼	£11	Skandia Grp Ins. SK5	£12	-¼	Q80%	4.1	3.0	8.1
292	222	Steel Burrill J. 10p	244	.....	†11.0	1.4	5.5	14.7
290	180	Sturge Hldgs 20p	244	+15	16.5	♦	9.0	♦
350	261	Sun Alliance Grp	329	+4	†12.5	2.0	5.1	12.1
*1389	965	Sun Life 5p	1123	-2	♦44.11	-	5.3	-
£68¼	£23¼	Taisho M EDR	£39¼	+⅛	Q10%	-	0.7	-
£35½	£19½	Torchmark $1.00	£24¼	+⅛	Q$1.40	-	2.9	-
158	101	Trade Indemnity Grp.	106	.....	†1.9	5.4	2.4	10.9
£23¼	£5	Travelers $1.25	£8½	.....	Q$1.60	-	9.5	-
£18½	392	USF & G Corp $2.50	401	-32	Q$1.04	-	12.6	-
£28¼	£12¼	Usllife Corp. $1	£13½	-½	Q$1.48	-	4.6	-
307	184	Utd Friendly B 10p	245	.....	‡8.2	1.9	4.1	14.5
295	185½	Willis Corroon 12½p	262	+7	12.0	1.3	6.1	16.2
35	10	Windsor 10p	14	-1	0.5	3.2	4.8	8.7

LEISURE

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
170	105	Airtours 10p	170	.....	8.25	♦	6.7	♦
128	68	Allied Leis. 5p	78	.....	3.9	3.2	6.7	5.3
290	195	Anglia TV	237	-3	†9.0	2.9	5.1	8.9
100	21	Avesco 1p	26	.....	1.5	3.9	7.2	3.6
18¼	8	BCE Hldgs 5p	8	.....	-	-	-	-
190	123	Barr & W.A.T. 'A'	140	.....	†h8.75	1.6	7.9	10.7
465	415	Boosey & Hawkes	455	.....	†12.3	3.0	3.6	11.6
49	30	Border T V	31	.....	2.1	0.9	9.0	16.1
376	19	Brent Walker 10p	81	-1	15.0	6.9	24.7	0.6
103	6	Do 6pc Cv Cm Rd Pf	21	.....	6.0	-	38.1	-
95	54	Buckingham Int'l 10p	54	-1	†1.6	3.2	4.0	9.5
290	161	Campari Int. 20p	186	+5	†10.0	2.7	7.2	6.2
298	115	Capital Radio 2½p	160xd	.....	5.25	♦	4.4	♦
810	298	Carlton Cmtns 5p	343	+2	14.1	3.2	5.3	7.4
108	49	Do. 6.5p Prf	62	+1	6.5	-	14.0	-
*468	178	Castle Comms. 5p	178	.....	8.5	3.1	6.4	6.4
782	519	Central ITV	529	.....	20.5	2.6	7.2	7.1
300	125	Chiltern Radio 10p	133xd	.....	4.8	♦	4.8	♦
147	44	Chrysalis	52	.....	s2.0	-	5.4	-
*149	34	Cityvision 5p	44	.....	†0.75	10.1	2.3	5.8
15	3	Classic Th'breds Ir0.20	4½	.....	-	-	-	-
398	305	Compass Group 5p	365	+1	10.35	♦	3.9	♦
1216	745	Euro Disney Fr10	983	-21	-	-	-	-
94	29	European Leisure	36	.....	1.7	♦	6.3	♦
*54	20	Ex Lands 10p	24	+1	-	-	-	-
85	26	Expedier 20p	26	-2	20.5	-	2.4	5.8
890	528	Fairline Boats 10p	533xd	.....	21.0	♦	5.3	♦
*232	161	First Leisure	194	.....	N5.04	2.6	3.5	13.6
585	253	GWR Group 20p	255	.....	12.0	16.0	6.3	6.8
85	68	Grampian TVA 10p	74xd	.....	3.5	2.9	6.3	7.2
28	9	Greenwich Comm. 1p	9	.....	-	-	-	-
136	60	HTV Ord	60	.....	a6.0	1.8	13.3	5.6
88	49	Hi-Tec Sports	56	.....	4.5	2.5	10.7	4.7
*7½	2½	Int'l Media Cons. 1p	3½	.....	-	-	-	-
186	37	Intl. Resort Hldgs	41	+2	a3.2	2.5	10.4	3.5
193	59	[illegible] Sound 10p	59	-1	‡2.7	2.0	6.1	10.7
67	24½	Kunick 10p	25	.....	†1.8	1.9	9.6	4.8
118	50	Do. 8¼pc Pf	58	-2	8.25	-	19.0	-
96	68	LWT (Hldgs) 3.937½p Cv Pf	86	.....	†3.94	-	6.1	-
513	280	Marina Devs. 50p	290xd	-2	12.0	1.8	5.5	13.4
203	123	Metro Radio Grp 5p	129	.....	5.0	3.0	5.2	8.7
188	84	Midlands Radio 10p	106	+2	4.5	♦	5.8	♦
21	4½	Millwall Hldgs. 1p	5	.....	-	-	-	-
102	26	Noble Raredon 5p	26½	.....	b0.07	-	0.4	-
67	37	Owners Abroad 3p	54	+1	†2.5	3.7	6.2	5.9
108	75	Do. 9.75p Cv.Rd.Pf.	90	+2	9.75	-	14.4	-
91	7	Pavilion Leisure 10p	7	-2	‡4.5	2.8	‡	0.5
*262	214	Pickwick	217	.....	†q4.25	2.9	2.6	18.0
132	78	Prism Leisure 10p	78	.....	4.5	1.1	7.7	15.1
193	88	Quadrant Group 10p	94	-3	†3.85	2.9	5.5	8.1
529	226	Radio City 'A' NV	228xd	-3	10.5	♦	6.1	♦
530	456	Scott. TV 10p	529	.....	†25.0	3.0	6.3	7.0
17	5½	Select TV 1p	8	.....	-	-	-	-
206½	115	Stanley Leisure	141	.....	‡4.5	3.6	4.3	8.6
37	19	Storm Group 1p	21	.....	-	-	-	-
272	175	Sunset & Vine 5p	175	.....	3.5	3.5	2.7	13.8
15	6¼	Surrey Group 5p	6¼xr	.....	q0.23	3.5	4.9	5.6
27½	11	Swanyard	11	.....	-	-	-	6.0
96	74	TSW 5p	85	.....	5.0	2.7	7.8	6.4
218	158	TV-am 5p	199	.....	†10.0	2.5	6.7	8.0
184	38	TVS Entertain 10p	78	.....	‡a8.57	1.2	‡	6.9
72	33	Do. 7.4pc Prf	46xd	-1	7.4	-	21.4	-
555	322	Thames TV	351	.....	a16.0	3.1	6.1	7.1
123	88	Tottenham Hotspur	91	.....	5.0	2.6	7.3	(5.8)
483	83	Trans World Comm. 10p	104	.....	‡12.0	1.9	‡	4.1
49	13	Trillion 10p	13	-1	0.5	1.1	5.1	22.9
412	254	Tyne Tees 50p	258	.....	19.0	2.3	9.8	5.9
152	126½	Ulster TV	129	.....	a6.0	3.6	6.2	6.0
*30	2	Video Store Grp 5p	2½	.....	-	-	-	-
106½	71½	Wembley 5p	81	.....	†2.0	4.7	3.3	8.1
43½	8½	Whitegate Leisure 20p	10½	.....	0.25	1.7	3.1	23.0
29	2	Do. Wrrnts.	3	.....	-	-	-	-
98	4	Xtra-Vision Ir5p	6	.....	†Q21%	5.4	17.1	1.3
314	217	Yorkshire TV	244	+3	12.0	♦	6.8	♦
156	105	Zetters Grp 5p	105	.....	7.0	1.5	8.9	10.3

MOTORS, AIRCRAFT TRADES

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
131	68	ABI Leisure 10p	68	.....	4.7	♦	9.7	♦
£14⅛	£5⅛	DAF N V Fl5	£5⅝	-⅛	Q50%	2.0	13.3	3.7
149	85	General Mtrs Units	87	+2	Q12½%	-	7.3	-
41	11	March Group 5p	11	.....	‡	-	-	-
*£22¼	£113	Volkswagen DM50	£124⅜	-⅜	Q22%	♦	3.0	♦
£44⅛	£18¼	Volvo Kr25	£20¼	-⅛	Q62%	4.3	6.8	3.5

Commercial Vehicles

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
253	68	ERF (Hldgs)	253	+30	†10.0	1.6	‡	9.2
180	48	Plaxton Grp.	61	+7	8.5	2.0	18.0	3.4

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MOTORS, AIRCRAFT TRADES — Contd

Components

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
458	420	Abbey Panels	453	—	3.5	10.8	1.0	12.0
225	135	Airflow Streamlines γ	140	—	6.0	3.0	5.7	7.8
190	145	Bostrom 5p γ	147	—	‡5.75	3.1	5.2	6.7
266	160	Dowty 50p β	166	+1	†9.0	2.1	7.4	7.8
239	110	FR Group β	111	−1	6.37	3.1	7.7	5.7
135	55	Kwik-Fit Hldgs. 10p β	79	—	†2.4	2.3	4.1	14.6
174	102	Lucas Inds. α	139	+3	7.0	2.5	6.7	6.8
44	14	Do. Warrants β	23	—	—	—	—	—
80	55	♦Mid-States 10p γ	58	—	[illegible]	—	1.8	46.1

Garages and Distributors

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
28	15	Alexanders 10p γ	15	—	1.0	3.0	8.9	4.5
135	78	Appleyard 10p β	85	—	†7.8	2.4	12.2	4.0
110	55	♦Bletchley Motor 20p γ	60	−5	†7.5	1.9	16.7	4.3
568	398	Caffyns 50p β	483xd	—	11.5	1.0	3.8	(36.7)
121	91	♦Central Motor Auctns. γ	91	—	†3.25	3.2	4.8	8.7
61	23	♦Cook (D.C.) Hldgs. γ	23	—	1.0	5.3	5.8	4.3
89	33	Cowie (T.) 5p β	49	+½	4.2	1.5	11.4	6.8
95	56	Dagenham Motors 10p γ	78	—	‡5.25	2.8	9.0	5.4
98	75	Davenport Vernon 10p γ	76	—	3.5	3.6	6.1	5.3
247	163	Evans Halshaw β	171	—	11.25	2.4	8.8	6.2
113	68	Gates (F.G.) β	76	—	2.75	1.9	4.8	14.3
161	25	Gowrings 10p γ	33	—	5.63	1.0	22.7	5.7
81	44	Jacks Wm γ	44	—	‡2.0	1.0	‡	21.6
118	46	Jessups γ	49	—	7.0	1.0	19.0	7.1
297	162	Lex Service β	170	—	15.3	1.9	12.0	6.0
147	50	Lookers γ	73	−1	6.2	3.9	11.3	3.0
43	21	♦Malaya Group 10p γ	25	—	2.0	♦	10.7	♦
133	85	Pendragon γ	92	—	†1.8	—	2.6	5.9
178	99	Perry Group β	100	—	9.0	1.4	12.0	7.4
133	51	Quicks Group 10p γ	58	—	6.0	3.0	13.8	3.0
238	150	Sanderson Murray Elder γ	[illegible]	—	—	—	—	(14.0)
26½	13½	Trimoco 10p β	15xd	+½	1.4	2.4	12.4	4.3
£222	£120	Do. 11½pc Ln '96	£138	—	Q11.5	—	8.8	—
86	68	Vardy (Reg) 10p γ	74	—	3.8	3.4	6.5	6.2

NEWSPAPERS, PUBLISHERS

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
93	31	Adscene γ	31	—	4.0	1.2	17.2	6.7
273	183	BPP Hldgs 10p γ	208	—	†5.25	2.6	3.4	15.3
190	125	Barbour Index γ	145	+3	6.0	2.2	5.5	10.9
520	385	Black (A. & C.) γ	510	—	13.0	2.3	3.4	16.4
1020	630	Blenheim Exhbts 5p γ	630xd	−15	20.0	♦	4.2	♦
375	217	Bristol Eve. Post γ	220	—	11.5	2.6	7.1	12.1
£61	£35	Daily Mail 'A' 50p γ	£39	—	†100.0	4.1	3.4	7.6
257	187	EMAP β	204xd	−1	16.5	2.7	4.2	11.5
383	323	Euromoney Pubs. 1p γ	348xd	+10	18.5	♦	7.1	♦
*178	75	♦EW Fact 5p γ	100	—	†3.5	1.9	4.7	10.9
195	123	Gardner D.C. γ	126	−2	†4.3	2.0	4.6	11.1
230	175	Haynes Pub 20p γ	178	—	10.0	1.8	7.5	9.1
259	155	Home Counties γ	165	—	†8.0	3.5	6.5	5.9
491	180	Independent γ	230	—	[illegible]	1.6	6.2	13.1
92	2	Intl. Bus. Comms. 10p β	3s	—	[illegible]	3.0	‡	0.2
173	143	Johnston Press 10p γ	150	+2	†4.5	3.4	4.0	9.0
234	133	Maxwell Comms. Corp. α	151	−¼	†15.0	1.0	13.9	(10.7)
131	113	♦Metal Bulletin 10p γ	116	—	†6.0	1.8	6.9	10.7
727	178	News Corp A$0.50	221	−17	Q10c	8.8	1.7	6.5
338	99	News Int. Spec. Div. β	124	−1	4.38	—	4.7	—
806	598	Pearson α	659	−2	†21.5	2.4	4.4	9.6
143	30	♦Pfat Resch. & Sys 10p	30	—	†3.5	2.5	15.6	2.9
315	240	Portsmouth & Sund. γ	240	−5	†7.9	4.0	4.4	7.7
152	89	Quarto Group γ	89	—	4.88	2.9	7.3	5.3
475	328	Reed International α	344	−2	†14.0	2.2	5.1	11.4
97	49	♦Southnews 5p γ	50xd	—	[illegible]	1.9	‡	5.4
145	78	♦Sterling Pub. 5p γ	78	—	6.0	1.9	10.5	6.1
60	16	Sumner Intl. 20p γ	16	—	1.0	1.6	8.3	(9.0)
68	38	Do. 7.5pc Cv Cm Rd Pf. γ	38	—	7.5	—	26.3	—
895	595	Thomson Corp‡	715	—	27.88	1.8	5.2	14.0
223	170	Trinity Int. Hld 10p γ	185	−2	†7.2	2.2	5.2	11.3
472	281	Utd. Newspapers α	309	−2	†21.0	1.7	9.1	8.6

PAPER, PRINTING, ADVERTISING

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
159	78	API Group γ	80	—	6.75	♦	11.0	♦
61	18	♦ATA Selection 5p γ	21	—	2.5	1.7	15.9	4.8
27	7	♦ATP Comms. 5p γ	7	—	—	—	—	5.4
276	170	Abbott Mid Vicks 5p γ	173	+3	†7.2	3.4	5.5	6.9
85	3	Acsis Group 10p γ	[illegible]	—	[illegible]	5.3	26.7	0.9
27½	13	Addison Consult 5p β	13	−½	10.6	—	‡	—

PROPERTY

[illegible]

PROPERTY—Contd

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
105	50	Trafford Park γ	65	+1	2.58	1.2	5.7	19.8
200	55	♦Trencherwood 10p γ	70	−5	‡5.15	—	‡	—
81	48	♦Treskel Hldgs. 10p γ	50	—	3.3	6.2	8.8	2.7
72	45	Trust of Prop. 5p γ	47	+2	Q1.21	1.2	3.4	33.0
475	33	UK Land γ	100	—	14.5	5.9	19.3	1.2
36	10	♦Union Square 10p γ	12	—	0.6	1.5	6.7	13.1
200	140	Warner Estate 5p γ	187	—	†7.5	1.3	5.3	19.8
315	255	Warnford Inv. 5p γ	255	—	6.5	1.7	3.4	23.4
69	15	Warringtons γ	15	—	2.0	3.4	17.8	1.8
70	22	Waterglade Intl. 5p γ	22	—	4.7	2.2	28.5	1.7
75	31	Do. 7¾pc Cv Rd Pf. γ	31	−2	7.75	—	30.1	—
205	129	Wates City of Lon. γ	158	−1	3.38	1.0	2.9	44.6
72	40	♦Wood (J.D.) 10p γ	60	—	2.2	1.5	4.9	18.0
18	3	♦Zurich Grp. 5p γ	3½	−½	[illegible]	2.9	—	0.5

SHOES AND LEATHER

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
360	275	FII Group γ	[illegible]	—	‡11.25	3.1	4.2	9.2
159	57	Futura Hldgs. 5p γ	[illegible]	+3	2.0	—	4.1	—
76	37	Headlam Group 5p γ	42	−1	2.4	2.4	7.6	7.3
198	158	Lambert Hth. 20p γ	165	—	†10.0	2.3	7.3	7.6
141	92	Pittard Garnar β	[illegible]	—	[illegible]	1.9	‡	3.4
21	14	Strong & Fisher γ	20	+1	—	—	—	—
343	278	Stylo γ	[illegible]	—	9.0	1.8	4.2	32.1

SOUTH AFRICANS

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
33	5	Abercom NPV	5	—	—	—	—	—
£19	932	Anglo Am. Ind. R1	£11½	—	Q350c	3.9	6.2	4.7
620	408	Barlow Rand 10c	543xd	−10	Q170c	2.9	6.4	6.9
91	56	Gold Flds. P. 2½c	73	—	Q42c	2.9	7.3	3.8
120	90	New Klein Prps 25c	102	—	Q50c	3.5	10.5	2.9
400	173	OK Bazaars 50c	213	—	[illegible]	2.2	8.2	3.6
273	170	♦SASOL R1	211	—	Q59½c	♦	5.9	♦
750	452	SA Brews 20c	613	+10	Q101c	2.0	3.4	15.1
925	275	Tiger Oats 10c	925	+90	Q63c	♦	3.0	♦
363	175	Tongaat-Hulett R1	[illegible]	−8	[illegible]	2.9	8.7	4.2

TEXTILES

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
28	5	♦Atch Hldgs. 15p γ	8½	+½	—	—	—	33.7
78	34	Albion 20p γ	41	—	3.2	♦	10.9	♦
381	305	Allied Textile γ	315	+1	†11.5	2.5	4.9	10.6
200	130	Atkins Bros. γ	130xd	—	[illegible]	1.2	12.3	7.8
88	58	Beckman A 10p γ	61	—	4.78	1.3	10.4	9.9
191	88	Brit. Mohair γ	[illegible]	—	8.5	2.2	12.9	4.5
291	208	Courtaulds Textiles β	233	+1	W11.6	2.4	6.6	8.0
120	90	[illegible]	[illegible]	—	3.0	4.6	4.4	5.7
42	13	Palma Group γ	14	—	[illegible]	—	‡	—
160	70	Parkland 'A' β	80	—	[illegible]	3.6	‡	3.3
[illegible]	[illegible]	Readicut 5p β	[illegible]	—	1.44	1.6	12.7	6.7
96	50	Richards 10p γ	75	—	4.0	♦	7.4	♦
78	33	SEET 20p γ	33	—	1.6	—	6.5	—
90	45	Sirdar γ	46	—	5.15	1.1	14.9	7.8
45½	34	Stoddard Srs 10p β	35xd	—	2.5	1.6	9.5	(7.7)
338	172	Tomkinsons β	185	+6	11.5	♦	8.2	♦
102½	67	Tootal β	69	—	4.95	1.1	9.6	(12.6)
443	215	Toray Y50	279xd	+2	Q13%	4.5	1.3	18.8
151	75	Victoria Carpet γ	80	—	‡4.5	3.9	7.5	4.0
17	6	West Trust 2½p γ	7½	—	0.5	2.0	8.9	(6.5)
220	105	Yorklyde 10p γ	145	—	9.7	3.1	8.9	4.8
17	9	Youghal γ	9	—	—	—	—	7.6

TOBACCOS

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
749	516	BAT Inds α	575	+4	†30.0	1.7	6.7	10.1
£100¼	£86½	Do. 12½pc Ln '03/08	[illegible]	—	Q12½%	28.9	12.2	—
865	597	Rothmans 12½p α	746xd	+1	†15.4	3.8	2.8	10.5

TRANSPORT

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
109	83	♦Air London 5p γ	85	−1	2.5	2.4	3.9	13.6
472½	355	BAA α	412xd	+2	†11.5	3.3	3.7	9.9
£21½	£9¾	Bergesen d-y AS NK2.5	£11¼	−⅛	[illegible]	2.6	0.6	19.9
240	126	British Airways α	144	+1	8.85	4.3	8.2	3.5
111	73	Brit Airwy Cv 9¾pc D.	81	+1	Q9¾%	—	12.0	—
£23¼	£13¼	CSX $1	£15¼	−½	Q$1.40	—	4.6	—
268	148	Carlson (Horace) γ	148	—	†7.50	3.5	6.8	5.4
£16½	563	Cons Freightways 62½c	626	+1	Q55c	—	4.3	—
775	73	Davies & N'man γ	75	—	[illegible]	—	‡	—
62	25	Dawsongroup β	27	—	[illegible]	0.3	‡	—
133	67	EMC	68	+1	1.5	1.8	2.0	41.8
*683	295	Eurotunnel Units β	373	−8	—	—	—	—
60	24	Do. Warrants	25	−1	—	—	—	—
151	81	Fisher (J.) γ	81	—	5.6	2.6	8.2	5.9

INVESTMENT TRUST

[illegible]

INVESTMENT TRUST—Contd

[illegible]

INVESTMENT TRUST—Contd

[illegible]

Net asset values supplied by County NatWest Wood Mackenzie

FINANCE, LAND, ETC

[illegible]

WATER

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Contd

[illegible]

OVERSEAS TRADERS

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
70	50	Do. 5pc Cum Prf £1	70	—	Q4.9	—	6.8	—
65	28	Boustead 10p β	28½	—	†1.5	2.5	7.0	6.2
156	55	Chillington Cpn γ	55	—	K5.0	1.5	12.1	(4.2)
91½	73	♦Cons Alrn CrpUS$1	83	—	Q5c	5.6	3.1	9.2
126	55	Finlay (James) β	64	—	4.15	1.7	8.6	7.8
11½	8	♦First Pacific 1c	8½	—	—	—	—	—
£90¼	£60½	Gt Nordic Great Nordic £10	£67¾	+¼	12%	—	1.5	—
55	33	Grand Central 10p γ	46	—	†1.0	0.1	2.9	—
320	185	Inchcape α	233	+2	†11.0	1.9	6.3	9.6
296	182	Lonrho α	219	+3	m14.55	1.4	9.0	(9.5)
869	415	Mitsubishi Crp Y50	531xd	+6	Q16%	♦	0.6	♦
350	240	Pat'son. Zoch. 10p γ	317	—	9.45	2.7	4.0	10.7
350	285	Do. 'A' N/V 10p γ	312	—	9.45	2.7	4.0	10.5
462	106½	Polly Peck Intl 10p	108§	—	m11.82	2.9	15.4	2.5
228	190	REA Hldgs. γ	191	—	†4.0	2.6	2.8	22.3
99	61	Sime Darby M$0.5	73	−1	mQ11.3c	1.9	2.9	18.1

PLANTATIONS

Rubbers, Palm Oil

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
88	58	Anglo-East Plants. γ	58	—	‡2.0	0.9	‡
77	61	Bertam 10p	77	—	2.2	1.8	3.8
54	31	Cons. Plants M$0.5	42	—	Q9.2c	1.0	4.1
55	27	Golden Hope Pts. M$1	41	−1	Q9c	1.1	4.7
66	42	Highlands M$0.5	54	—	Q20c	0.9	7.0
102	57	Kuala Kepong M$1	74	−11	Q17.5c	1.8	4.4
45	30	Lendu Hldgs. 5p	30	—	0.7	1.1	3.1
68	35	Rowe Evans Inv. 10p γ	[illegible]	—	2.0	1.1	4.5

Teas

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
160	120	Moran 10p	130xd	—	1.0	♦	1.0
1650	1100	Williamson £1	1200	—	a33.3	2.1	3.7

MINES

Central Rand

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
760	161	Durban Deep R1	207	—	—	—	—
399	85	East Rand Prp. R1	[illegible]	—	—	—	—
676	203	Randfont'n Est. 20c	283	−11	Q100c	2.6	10.0
44	23	Simmer & Jack 2c	23	—	—	—	—
260	89	West Rand R1	115	—	†Q40c	0.7	7.7

Eastern Rand

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
12	3½	AFMIN Hldgs.	7	—	Z00.5c	—	1.5
72	26	Bracken 90c	26	−2	Q55c	♦	—
495	184	East Daggs R1	187	—	‡Q118c	1.0	13.6
115	57	Eastern Trs. Co. 2½c	73	—	‡Q20c	2.1	‡
341	93	ERGO 50c	93	−7	‡Q105c	1.7	‡
202	41	Grootvlei 25c	44	—	‡Q35c	1.4	18.8
£13¾	680	Kinross R1	735	−2	Q315c	♦	8.8
169	56	Leslie 65c	56	−2½	Q60c	♦	23.0
100	23	Randex 25c	23	—	—	—	—
80	27	S. African Ld. 35c	27	—	‡Q45c	1.0	‡
72	25	Vlakfontein 20c	25	—	—	—	—
£22¼	801	Winkelhaak R1	801	−27	Q315c	♦	8.2

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Contd

Tins

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
35	25	♦Ayer Hitam $M1	25	—	[illegible]	0.7	—
75	45	Gopeng Berhad M$0.50	45	—	Q11c	2.6	4.6
67	27	Malaysia Mng 10c	30	−1	[illegible]	2.3	4.4
160	130	Petaling $M1	130	—	Q180c	—	26.0
90	90	Tanjong Tin 15p	90xd	—	—	—	—

Miscellaneous

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
190	80	Anglesey Mining 9p γ	83	+3	—	—	—
110	1¾	Do. Warrants γ	1¾	—	—	—	—
17	4½	Anglo-Dominion	4½	—	—	—	—
37	12	Butte Mining 10p γ	12½	−½	—	—	—
44	3½	♦Colby Mines	10	—	—	—	—
122	23	Cons. Murch. 10c	23	—	Q30c	5.5	—
26	3	♦DRX Inc.	3	—	—	—	—
24½	6½	♦Emnex Int. Ir10p γ	9	—	—	—	—
98	20	Europa Minerals 2p γ	24	—	1.0	—	5.6
86	21	Geevor γ	21	—	—	—	—
43	13	Greenwich Res β	16	—	—	—	—
£10¾	£4⅜	♦Hemlo Gold Mines	£4¼	—	$Q20c	—	[illegible]
£14⅜	£8⅛	Homestake Mining $1	£8⅛	+⅜	Q20c	—	[illegible]
49½	13	♦Kenmare γ	13½	−1	—	—	—
20¼	7	♦New Sabina Res C$1	10	—	—	—	—
457	55	Northgate Expl. C$1	62	+2	§	—	—
39¼	2¼	♦Nor-Quest Res	3½	—	—	—	—
255	90	Oryx Gold Hldgs.	[illegible]	—	—	—	—
93	42	Plateau Mining 20p γ	44	—	—	—	—
605	392	RTZ 10p α	453	+2	†18.5	2.5	5.4
14	4½	♦Thorco Res. Inc ‡	5½	—	—	—	—
18	5	Vizcaya Hldgs 5p γ	18	—	—	—	—
178	133	♦Young Group 10p γ	133	—	†7.8	2.7	7.8

THIRD MARKET

1990 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
30	5	Analysis Hldgs 20p γ	5	—	—	—	—	—
53	28	Andaman Res. 10p γ	[illegible]	—	—	—	—	—
20½	10½	Automobiles of Dist. 5p γ	12	—	♦	—	—	—
1½	0¼	Barbican Hldgs. 1p γ	1¼	+⅛	—	—	—	♦
45	31	Biocure 1p γ	40	—	—	—	—	—
18	6½	Burren Exploration γ	7	—	—	—	—	—
225	205	Cafe Inns £1	220	—	♦	—	—	13.8
22	10	Caldwell Inv. 10p γ	10	—	—	—	—	—
For Caspen Oil see OIL AND GAS								
25	16	Celtic Gold γ	17	—	—	—	—	—
95	36	Chelsea Artisans 5p γ	[illegible]	—	—	—	—	—
24	6	ChemEx Intl γ	19	—	—	—	—	—
215	85	Citybond Storage Sev.	85	—	—	—	—	—
23	10½	Dana Corp	14½	—	—	—	—	—
22	9	Edencorp Leisure 5p	12	—	‡0.38	5.1	4.2	4.9
65	28	Eglinton Expln Ir 50p γ	[illegible]	—	—	—	—	—
14	2	Do. Wrrnts γ	2	—	—	—	—	—
18	5	Far East Res. 10p	[illegible]	—	—	—	—	—
125	90	Fast Forward Inns.	90	—	—	—	—	—
45	4½	Feltrim Min Ir0.20	5½	—	—	—	—	—
59	23	Glencar Expln. γ	26	+1	—	—	—	—
60	20	Hartley Baird 5p γ	20	—	0.75	5.9	5.0	3.9
100	65	Hiclare 5p γ	70	—	1.0	7.9	1.9	8.7
43	24	Image Star Hldgs. 10p γ	24	—	—	—	—	—
62	22	Ivernia West γ	41	—	—	—	—	—
97	46	Kells Mins. Ir5p γ	46	—	—	—	—	—
*33	6	Kemp (P.E.) 5p γ	6	—	10.5	—	♦	—
For M.L. Labs see INDUSTRIALS (Miscl.)								
6½	3½	Moray Firth 1p γ	3½	—	—	—	—	—
45	19	Navan Resources γ	19	—	—	—	—	—
57	20	Ovoca Gold IR 2p γ	21	—	—	—	—	—
73	15	Oxford Virology 5p γ	15	—	—	—	—	—
83	61	Poddington 5p	77xd	—	—	—	—	—
118	65	Ramsden's (Harry) γ	93	—	4.5	♦	6.7	♦
For Rentaminster see INDUSTRIALS								
38	6	Sempernova γ	6	—	—	—	—	1.9
36	13	Sleepy Kids 5p γ	13	—	—	—	—	—
3¼	1¼	Systems Connection γ	1¼	—	—	—	—	—
94	46	Tomorrows Leisure 20p γ	51	—	1.0	4.4	2.6	9.3
55	27	UPL Group 10p γ	32	—	—	—	—	—
89	8	Video Magic Lei. 1p γ	8	—	—	—	—	—
6¼	1½	Vista Ents 5p γ	1½	—	—	—	—	—
5½	1¼	Wilton Group 1p γ	1½	—	—	—	—	5.1

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, γ Gamma.

Highs and lows are based on intra-day mid prices. Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially listed.
- § Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♦ Not comparable
- ♦ Same interim; reduced final and/or reduced earnings indicated
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- § No par value

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1990-91. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1991. K Dividend and yield based on prospectus or other official estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1991. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date. Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Craig & Rose £1 γ	700	—
Finlay Pkg. 5p γ	36	−2
Holt (Jos) 25p γ	1305	—

IRISH

Stock	Price	+ or −
Cap 8½% Ln 1991	£98¼	—
9pc Cap Ln. 1996	£94	−⅝
Fin. 13% 97/02	£111¼	—
Arnotts	160	—
Carrol (P.J.)	154	—
Helton Hldgs. γ	40	—
IRG	135	—
United Drug	140	—

TRADITIONAL OPTIONS

3-month call rates

Industrials	p
Allied-Lyons	40
Amstrad	6
Astec (BSR)	4½
BAT	46
BOC Grp.	28
BTR	25
Barclays	30
Blue Circle	19
Boots	29
Bowaters	43
Brit Aerospace	45
British Steel	10½
Brit Telecom	25
Cadburys	28
Charter Cons	38
Comm Union	48
Courtaulds	28
Eurotunnel	35
FKI	5
FNFC	20
Gen Accident	41
GEC	15
Glaxo	68
Grand Met	51
Guardian	17
GKN	27
Hanson	16
Hawker Sidd	35
ICI	70
Ladbroke	22
Legal & Gen	32
Lex Service	17
Lloyds Bank	24
Lucas Inds	11
Marks & Spencer	19
Midland Bk	16
Nat West Bk	21
P & O Dfd	44
Racal Elect	16
RHM	25
Rank Org Ord	52
Reed Intnl	32
STC	19
Sears	7½
SmKl. Beecham A	41
TI	35
TSB	11
Tesco	19
Thorn EMI	55
Trust Houses	23
T&N	13
Unilever	52
Vickers	16
Wellcome	33

Property	
Brit Land	24
Control Secs	3½
Land Securities	45
MEPC	38
Mountleigh	9

Oils	
Aviva Petlm	3½
Brit Petroleum	27
Burmah Castrol	46
Conroy Petlm	15
Gaelic Res.	1½
Premier	7
Shell	37
Tuskar Res.	2
Ultramar	29

Mines	
Lonrho	19
RTZ	48

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H

Abtrust Management Ltd (1200)H

Acorn Unit Trust Managers Ltd (1100)F

Acuma Fund Managers Ltd (1000)F

Aegis Unit Tst Mangmt Ltd (1400)F

Arbuthnot Unit Tst Mngt Ltd (1000)F

Arkwright Management (1400)F

B & C E Unit Trust Mngmt Ltd (1000)H

Baillie Gifford & Co Ltd (1400)H

Bank of Ireland Fund Mgrs Ltd (1000)F

Barclays Unicorn Ltd (1000)H

Baring Fund Managers Ltd (1200)H

Bell Court Fund Mngt PLC (1500)F

Bishopsgate Progressive Mgmt Co (1200)F

Brewin Dolphin Unit Tst Mgrs Ltd (0905)F

Brown Shipley & Co Ltd (1000)F

Buckmaster Mangmt Co Ltd (1200)H

CCF Foster Braithwaite UT Mngt (1100)F

CCL Unit Trusts Ltd (1400)F

CIBC Unit Tst Managers plc (1200)H

CIS Unit Managers Ltd (1000)F

CS Fund Managers Limited (1000)H

Canada Life Unit Tst Mgrs Ltd (1200)F

Chase Manhattan Fund Mgrs Ltd (1600)F

CIGNA Unit Tst Managers Ltd (1000)F

City of London Unit Tst Mgrs Ltd (1000)F

Clerical Medical Unit Tst Mgrs Ltd (1200)F

Colonial Mutual Unit Tst Mgrs Ltd (1200)F

Commercial Union Tst Mgrs (1600)H

Confederation Funds Mngt Ltd (1200)F

Consistent Unit Tst Mngt Co Ltd (1200)F

Co-op Pension Fds UT Mgrs Ltd (1000)F

Cornhill Unit Trust Mngrs Ltd (1000)F

Crown Unit Tst Services Ltd (1200)H

Discretionary Unit Fund Mngrs

Dunedin Unit Tst Mngrs Ltd (1400)H

EFM Unit Tst Mngrs Ltd (1400)H

Eagle Star Unit Mngrs Ltd (1000)H

CT Unit Managers Ltd (1200)H

Gartmore Fund Managers (1200)F

Global Asset Management (1200)F

Kleinwort Benson Unit Trusts—Contd.

LAS Unit Tst Mngrs Ltd (1000)H

L & C Unit Tst Mngmt Ltd (0905)F

Laurentian Unit Tst Mngmt Ltd (1200)F

Lazard Unit Tst Mngrs Ltd (1200)F

Legal & General (U.T. Mgrs) Ltd (1200)F

Lloyds Bk Unit Tst Mngrs Ltd (1000)F

MGM Unit Managers Ltd (1000)H

Marks & Spencer Unit Trust Ltd (1200)F

Martin Currie Unit Trusts Ltd (0905)H

Mayflower Management Co Ltd (1200)F

Medical Investments Ltd (1100)F

Mercury Fund Managers Ltd (1000)H

Merlin Jupiter Unit Tst Mngrs Ltd (0905)F

Metropolitan Unit Trust Mngrs Ltd (1000)F

Midland Unit Trusts Ltd (1200)F

Morgan Grenfell Unit Tst Mngrs Ltd (1000)H

Murray Johnstone UT Mngt (1400)H

National Provident Inv Mgrs Ltd (1400)H

Newton Fund Mngrs Ltd (1200)F

Norwich Union Tst Managers (1200)H

Pearl Unit Trusts Ltd (1000)H

Perpetual Unit Tst Mngmt (1600)F

Phillips & Drew Unit Managers Ltd (1400)F

Provident Mutual Unit Tst Mgrs Ltd (0905)H

Prudential Holborn Unit Tsts Ltd (1630)H

Royal Life Fd Mgmt Ltd (1000)H

Royal London Unit Tst Mgrs Ltd (1000)H

Save & Prosper Group (0900)H

Save & Prosper Group—Contd.

Schroder Unit Trusts Ltd (1400)F

Scottish Amicable Ut Tst Mgrs Ltd (1200)H

Sharp (Albert E.) & Co (1130)F

Smith & Williamson Unit Tst Mgrs (1600)F

Sovereign Unit Tst Mngrs Ltd (1000)F

Standard Life Tst Mngt Ltd (0629)H

Stewart Ivory Unit Tst Mgrs Ltd (1500)H

Sun Alliance Unit Tst Mngmt Ltd (1200)F

Sun Life of Canada Unit Mgrs Ltd (1000)H

Sun Life Trust Mngmt Ltd (1200)H

Swiss Life Unit Tst Man Co Ltd (1200)F

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE: [illegible]

OFFER PRICE: [illegible]

BID PRICE: [illegible]

CANCELLATION PRICE: [illegible]

TIME: [illegible]

HISTORIC PRICING: [illegible]

FORWARD PRICING: [illegible]

SCHEME PARTICULARS AND REPORTS: [illegible]

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INSURANCES

OTHER UK UNIT TRUSTS

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N & P Life Assurance Ltd
6-7 Bedford Row, London, WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or –	Yield Gross
Life Managed Fd	90.8	95.6	–0.1	–
Pension Managed Fd	86.9	91.4	–0.2	–
Life Deposit Fd	102.9	108.4	+0.1	–
Pension Deposit Fd	106.3	111.9	+0.1	–

National Financial Management Corp PLC
72 Gatehouse Rd, Aylesbury, HP19 3XJ 0296 395539

	Bid Price	Offer Price	+ or –	Yield Gross
Life Funds				
Managed Cautionary	99.2	104.5	–0.3	–
Managed Growth	122.2	128.7	–1.6	–
Managed Opportunity	117.9	124.2	–1.7	–
NFMC Target Financial	87.6	92.3	–0.8	–
Pension Funds				
Managed Cautionary	104.7	110.3	–0.3	–
Managed Growth	125.4	132.1	+2.3	–
Managed Opportunity	117.6	123.8	–0.7	–
NFMC Target Mngd Pen	1338.8	1409.3	–6.5	–

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or –	Yield Gross
Harvester Pension Funds				
Managed	141.7	149.2	----	–
UK Equity	146.7	154.5	----	–
Overseas Equity	113.9	119.9	----	–
Fixed Interest	135.2	142.4	----	–
Property	127.1	133.8	----	–
Index Linked	144.4	152.1	----	–
Deposit	147.3	155.1	----	–
With Profits (B)	123.8	130.3	----	–

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or –	Yield Gross
Managed	309.1	325.4	–0.5	–
UK Equity	387.5	407.9	–0.6	–
Overseas Eq	291.2	306.6	–0.7	–
American	217.1	228.6	–1.4	–
Far East	302.1	318.1	+1.0	–
Property	193.2	203.4	–0.2	–
Fixed Int	242.0	254.8	----	–
Indexed Gilt	150.0	157.9	–0.2	–
Deposit	173.9	183.1	+0.1	–
Pension Fund (Accum Units)				
Managed	428.9	451.5	–0.7	–
UK Equity	496.0	522.2	–0.8	–
Overseas Eq	479.7	505.0	–1.1	–
American	283.6	298.6	–1.7	–
Far East	506.2	532.9	+2.0	–
Property	240.2	252.9	–0.3	–
Fixed Int	295.8	311.4	–0.1	–
Indexed Gilt	165.2	173.9	–0.3	–
Deposit	240.0	252.7	+0.1	–
NPI Pensions Management Ltd				
Managed Fund	941.0	957.8	----	–

Prices Dec 3 Next dealing Jan 3

Norwich Union Asset Management Ltd
PO Box 140, Norwich NR3 1PP 0603 686787

	Bid Price	Offer Price	+ or –	Yield Gross
NUAM Funds				
Managed Fund	62.7	66.0	----	–
Stock Market Mngd Fund	59.0	62.1	–0.1	–
Equity Fund	67.6	71.2	–0.1	–
International Fund	51.8	54.6	+0.1	–
European Fund	61.2	64.4	–0.4	–
North American Fund	51.0	53.7	+0.3	–
Pacific Fund	51.5	54.2	+0.3	–
Property Fund	84.9	89.3	----	–
Fixed Interest Fund	55.1	58.0	–0.1	–
Index Linked Sec Fund	60.7	63.9	–0.2	–
Deposit Fund	66.6	70.2	----	–
NUAM Retirement Plans				
Mixed Fund	68.0	71.6	–0.1	–
UK Ordinary Share Fd	77.9	82.0	–0.1	–
International Fund	55.9	58.9	----	–
Property Fund	83.4	87.8	----	–
Fixed Interest Fund	66.0	69.5	–0.1	–
Index Linked Sec Fund	64.2	67.6	–0.2	–
Deposit Fund	77.7	81.8	----	–
NUAM (MF)				
Managed Fund	886.4	933.1	–0.5	–
Equity Fund	1859.8	1957.7	–1.9	–
International Fund	136.9	144.2	+0.2	–
Property Fund	537.2	565.5	+0.2	–
Fixed Interest Fund	413.4	435.2	–0.6	–
Index Linked Sec Fund	61.8	65.1	–0.2	–
Deposit Fund	274.4	288.9	+0.1	–

Norwich Union Life Insurance Soc.
Surrey Street, Norwich NR1 3NG 0603 622200

	Bid Price	Offer Price	+ or –	Yield Gross
Unitised Life				
With Profits Fd	107.21	112.85	+0.03	–
Managed Fd	84.39	88.83	–0.04	–
UK Ord Share Fd	87.87	92.49	–0.12	–
International Fd	76.57	80.60	–0.10	–
European Fd	84.55	89.00	–0.37	–
North American Fd	77.76	81.86	+0.36	–
Pacific Fd	65.10	68.53	+0.42	–
Property Fd	97.42	102.55	+0.02	–
Fixed Int Fd	98.03	103.19	–0.15	–
Intl Bond Fd	91.27	96.07	+0.10	–
Deposit Fd	107.88	113.56	+0.03	–
Unitised Pensions				
With Profits Fd	142.07	149.54	+0.05	–

Property Equity & Life Ass. Co
Baxter Ave, Southend SS2 6QH 0702 333433

	Bid Price	Offer Price	+ or –	Yield Gross
Int Man Pension Fd	149.1	156.9	----	–
Int Man Crncy Bd Fd		143.8	----	–
Int Man Crncy Bd Fd(2)		130.4	----	–
Flexible Prop. Bd. Fd		201.3	----	–
Flexible Money Bd. Fd		366.3	----	–
Special Man. Inc. Fd		133.5	----	–

Prosperity Life Assurance Ltd
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 690555

	Bid Price	Offer Price	+ or –	Yield Gross
Initial Equity	137.0	144.5	–0.5	–
Accum Equity	192.5	203.5	–0.5	–
Accum Managed	198.5	209.5	–0.5	–
Accum Five Star	150.0	158.5	–0.5	–
Accum World	107.5	113.5	----	–
Accum Lifetime	101.0	101.0	–0.6	–
Pens Acc Equity	201.0	212.0	–1.0	–
Pens Acc Managed	235.0	247.5	–1.0	–
Pens Acc Intl	169.5	179.0	----	–
Pens Acc Deposit	187.5	198.0	----	–
Pens Acc Five Star	158.5	167.5	–1.0	–

Providence Capital Life Ass. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or –	Yield Gross
UK Equity Acc	197.2	208.1	–0.2	–
UK Fixed Int Acc	164.8	173.9	+0.1	–
Intl Equities Acc	151.0	159.3	–0.6	–
UK Managed Acc	156.3	164.8	–0.6	–
Property Acc	232.2	245.0	–3.7	–
Money Acc	123.8	130.6	----	–
Special Market Acc	116.1	122.5	–0.5	–
Japan Equity Acc	91.1	96.2	+0.7	–
North American Acc	83.2	87.8	----	–
Pacific Acc	74.8	79.0	+0.4	–
Technology Acc	96.6	102.0	–2.3	–
Nat Resources Acc	50.5	53.3	+0.3	–
European Acc	91.5	96.6	–0.6	–
Residential Prop Acc	97.3	102.7	----	–
Swiss Equities Acc	31.9	33.7	–0.3	–
Hong Kong Acc	46.9	49.5	+0.3	–
UK High Inc Eq Acc	63.2	66.7	–0.2	–
Int Fixed Interest Acc	53.3	56.3	----	–
Int Managed Acc	50.6	53.3	–0.3	–
HIP Managed Acc	98.2	103.5	–0.2	–
HIP Managed II Acc	87.0	91.7	–0.2	–
Total Investment Bond				
UK Equity Initial		134.9	–0.2	–
UK Fixed Int Initial		113.0	----	–
Intl Equities Initial		102.7	–0.4	–
UK Managed Initial		107.3	–0.3	–

J. D. Ward Financial Services Ltd
9 Kingsway, London, WC2 B6XF 071-836 4321

	Bid Price	Offer Price	+ or –	Yield Gross
Target Mngd Bond	185.7	195.5	–0.3	–
Target Mngd Pension	112.7	118.7	–0.1	–
Albany Life Acc	167.0	175.7	–0.4	–
Albany Pen Acc	207.0	227.8	–0.7	–

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Orion Fund Limited
6 Front St., Hamilton, HM11, Bermuda 809 295 4000

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or –	Yield Gr's
Orion		5–	9.9984		----	–

CANADA (SIB RECOGNISED)

Ivory & Sime Pembroke Inc
UK Agent: Ivory & Sime Plc. One Charlotte Square, Edinburgh EH2 4DZ 031 225 1357

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or –	Yield Gr's
CBC Nth America Inc*		C5–	2.46		----	–
Approx Stlg Equiv		5–	1.19		----	–

*Dealing Thursdays–Forward. Redemption Fee 1%

GUERNSEY (SIB RECOGNISED)

Schroder Mngmt Services (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey 0481 710451

	Bid Price	Offer Price	+ or –	Yield Gross
New Company Bond	3 11.686	11.954	11.87 ----	–

GUERNSEY (REGULATED)(**)

Adams & Neville Fund Mngt (Guernsey) Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Worldwest Emer Co.	$0.62	0.66	----	–

Arab Bank Fund Managers (Guernsey) Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
ABL International Fund Ltd				
US Dollar Money	$10.36	10.36	----	–
Managed Currency	$10.82	10.83	----	–
International Bond	$10.74	10.76	----	–

Bachmann Global Investment Fund Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
International Bond	$120.03	122.94	----	–
Csh, Gilt & Stg Fxd Int	£11.65	12.11	----	–

Baring Int Fund Managers Guernsey Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Mngd Portfolio (Dlr)	$9.64	10.25	----	–
Mngd Portfolio (Stlg)	£3.64	3.90	----	–
Baring Currency Fund Ltd				
US Dollar		$14.65	----	–
Sterling		£17.95	+0.01	–
Deutschemark		DM38.28	+0.01	–
Japanese Yen		Y3,619		–
Managed	$42.12	44.22	+0.09	–

Dantrust Management (Guernsey) Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Dantrust Limited	DKr117.2	117.5	----	–

Fipart-Conseil Fund Mngrs (Guernsey) Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Hamevile G & B Fd	SFr8.05	8.11	–0.16	1.47

John Govett Mngmt International Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Govett High Inc Gilt	£0.3545	0.3777xd	–0.0002	12.97
Govett Far East Inv	$0.886	0.947	–0.002	–
Energy & Resources	$0.650	0.695	+0.001	–

Hambros Fund Managers (CI) Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Japanese OTC	$8.0362	8.9426	----	–

Havelet Throgmorton Mngmt Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Intl Inv–Stlg High Inc.	£18.097 18.648xd		----	10.49
Intl Inv–Intl High Inc.	$49.123 51.675xd		----	3.54

Henderson Admin. (Guernsey)

	Bid Price	Offer Price	+ or –	Yield Gross
Prestige Portfolio	£1.908			–
Balanced Grth $ Prtflo	$1.809	1.955	–0.019	–
Balanced Grth £ Prtflo	£1.060	1.137	–0.008	–
Select Mkts $ Prtflo	$1.806	1.961	–0.015	–
Inc & Grth $ Prtflo	$1.680	1.778	–0.008	–
High Income £ Prtflo	£0.601	0.632	(z)	–

Hill Samuel Fd. Mngrs. (Guernsey) Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Guernsey Tst	66.79	71.43	+0.72	2.81

Kleinwort Benson Intl Fd Mngrs Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
KB Int.Ac. Bd.Acc*	$8.829	9.291		–
KB Japan Fund		$195.98	–0.42	–

*Offer price inclusive of maximum preliminary charge

Kleinwort Benson Islamic Fd Mngmt Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Islamic Fund	$5.80	6.20xd	----	0.54

OFFSHORE INSURANCES

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IRELAND (SIB RECOGNISED)

ISLE OF MAN (SIB RECOGNISED)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar falls on discount rate cut

THE US dollar weakened yesterday after the release of merchandise trade figures which were worse than the market had anticipated. The yen was lower on Gulf worries, but sterling was steadier after its recent falls.

The announcement by the Federal Reserve Board that its was cutting the discount rate by half a point to 6.5 per cent came too late to affect London foreign exchange markets. In New York the dollar fell sharply on the news.

The US trade deficit in October widened to $11.6bn from September's $9.3bn, and compared with an average market expectation of $9.6bn. A large rise in imports boosted the deficit; the trade shortfall with Japan rose by almost 50 per cent, and there was also a deficit with western Europe.

The foreign exchange market has not been paying great attention to US trade figures since the deficit began to narrow in 1987. The latest figures could be volatile, as can be any single month's outcome, and analysts said yesterday that more evidence would be needed before any firm conclusions could be drawn.

The dollar also came under pressure from the 0.3 per cent rise in November consumer prices. This compared with a 0.6 per cent increase in the previous month and expectations of another 0.6 last month.

Before the discount rate cut, Federal funds traded firmly at 7$\frac{5}{16}$ per cent, above the Fed's perceived target of 7¼, as year-end factors boosted rates. In late trade Fed funds were quoted at 7.

The US currency closed easier in London at DM1.4840 from DM1.4870; at SFr1.2700 from SFr1.2755; and at FFr5.0550 from FFr5.0900. Its index lost 0.1 to 60.8.

The dollar was prevented from falling further by the weaker yen. The continued uncertainty about talks between the US and Iraq, and more hardline noises from both sides in the Gulf crisis depressed the Japanese currency. Since Iraq's invasion of Kuwait, the yen has usually been the first of the major currencies to be hit by any rise in tension in the Gulf. The dollar closed unaltered at Y133.25; sterling rose to Y257.75 from Y256.75; and the D-Mark firmed to Y89.75 from Y89.65.

Sterling overall had a steadier tone in low volume trading as the UK government's message was absorbed by the market that interest rates would not be cut until the pound firms. But there is still concern that the economy's slide into recession may eventually force the UK authorities to reduce rates or risk electoral unpopularity.

Sterling remained the weakest currency in the European Monetary System, but closed higher at DM2.8725 from DM2.8650 and at $1.9350 from $1.9270. It held at SFr2.4575 but weakened to FFr9.7825 from FFr9.8075. Sterling's effective index rose 0.1 to 93.3. In New York the pound ended ⅜ of a cent stronger at $1.9425.

£ IN NEW YORK

Dec.18	Close	Previous Close
£ Spot	1.9420-1.9430	1.9300-1.9310
1 month	1.04-1.02pm	1.08-1.06pm
3 months	2.75-2.72pm	2.75-2.72pm
12 months	8.70-8.60pm	8.58-8.50pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Dec.18	Previous
8.30	am	93.2	93.3
9.00	am	93.2	93.3
10.00	am	93.3	93.3
11.00	am	93.3	93.3
Noon		93.2	93.3
1.00	pm	93.3	93.3
2.00	pm	93.3	93.2
3.00	pm	93.3	93.2
4.00	pm	93.3	93.2

CURRENCY RATES

Dec 18	Bank rate %	Special* Drawing Rights	European† Currency Unit
Sterling	-	0.740507	0.766860
U.S Dollar	7	1.43140	1.37092
Canadian $	12.82	1.65670	1.58834
Austrian Sch	6½	14.9796	14.3590
Belgian Franc	10¼	44.1193	42.2276
Danish Krone	10½	8.21337	7.88689
D-Mark	6.00	2.12849	2.04061
Dutch Guilder	7.25	2.40260	2.30177
French Franc	10¼	7.24288	6.94780
Italian Lira	12½	1607.82	1541.73
Japanese Yen	6	190.662	182.332
Norway Krone	8	8.34649	8.01506
Spanish Peseta	-	135.764	130.484
Swedish Krona	11	N/A	7.68398
Swiss Franc	6.00	1.82360	1.74449
Greek Drach	20½	N/A	213.150
Irish Punt	-	N/A	0.766860

† European Commission Calculations.
* All SDR rates are for Dec. 17

CURRENCY MOVEMENTS

Dec 18	Bank of England Index	Morgan** Guaranty Changes %
Sterling	93.3	-19.5
U.S Dollar	60.8	-18.0
Canadian Dollar	101.9	+0.2
Austrian Schilling	111.0	+12.8
Belgian Franc	112.7	-1.5
Danish Krone	111.0	+5.5
D-Mark	121.1	+27.0
Swiss Franc	114.0	+22.2
Dutch Guilder	116.2	+17.3
French Franc	105.3	-11.4
Lira	100.1	-19.1
Yen	131.1	+65.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Dec. 17.

OTHER CURRENCIES

Dec 18	£	$
Argentina	9677.80 - 9698.85	5000.00 - 5020.00
Australia	2.5195 - 2.5215	1.3000 - 1.3015
Brazil	294.760 - 295.610	152.30 - 152.70
Finland	6.9520 - 6.9750	3.5890 - 3.5940
Greece	297.35 - 302.05	154.05 - 156.60
Hong Kong	15.0985 - 15.1100	7.8005 - 7.8025
Iran	124.80*	63.50*
Korea(Sth)	1374.20 - 1396.40	714.60 - 720.20
Kuwait	N/A	N/A
Luxembourg	59.45 - 59.55	30.70 - 30.80
Malaysia	5.2265 - 5.2390	2.7000 - 2.7020
Mexico	5697.80 - 5701.25	2944.00 - 2945.00
N.Zealand	3.2880 - 3.2930	1.6985 - 1.7015
Saudi Ar	7.2145 - 7.2685	3.7490 - 3.7510
Singapore	3.3310 - 3.3385	1.7205 - 1.7225
S.Af (Cm)	4.8825 - 4.8945	2.5245 - 2.5265
S.Af (Fn)	6.5925 - 6.6755	3.3900 - 3.4485
Taiwan	52.45 - 52.55	27.10 - 27.15
U.A.E.	7.0425 - 7.1425	3.6720 - 3.6740

* Selling rate

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Dec 18	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	130.484	-2.35	4.3	41
D-Mark	2.05586	2.04061	-0.74	2.61	47
Dutch Guilder	2.31643	2.30177	-0.63	2.49	31
Belgian Franc	42.4032	42.2276	-0.41	2.27	30
Irish Punt	0.767417	0.766860	-0.07	1.92	3
Italian Lira	1538.24	1541.73	0.23	1.62	-11
Danish Krone	7.84195	7.88688	0.57	1.27	-26
French Franc	6.89509	6.94780	0.76	1.07	-42
Sterling	0.696904	0.709767	1.85	0.00	-55

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Dec 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.9275 - 1.9380	1.9345 - 1.9355	1.04-1.02cpm	6.39	2.79-2.76pm	5.74
Canada	2.2280 - 2.2420	2.2380 - 2.2390	0.56-0.46cpm	2.71	1.27-1.15pm	2.16
Netherlands	3.2295 - 3.2425	3.2395 - 3.2425	1¼-1⅛cpm	4.86	3½-3pm	3.86
Belgium	59.25 - 59.60	59.45 - 59.55	24-19cpm	4.34	68-51pm	3.66
Denmark	11.0695 - 11.1215	11.0975 - 11.1075	3⅝-3⅛orepm	3.85	8⅞-8⅛pm	3.06
Ireland	1.0765 - 1.0930	1.0795 - 1.0805	0.35-0.25cpm	3.33	0.75-0.55pm	2.41
Germany	2.8690 - 2.8755	2.8700 - 2.8750	1¼-1⅛pfpm	4.96	3-2⅞pm	4.00
Portugal	253.10 - 254.70	253.45 - 254.70	44-20cpm	1.61	par-61dis	-0.48
Spain	183.10 - 184.35	183.75 - 184.05	4-13cdis	-0.55	26-31dis	-0.62
Italy	2165.20 - 2173.65	2169.00 - 2170.00	3-1lirepm	1.11	6-4pm	0.92
Norway	11.2545 - 11.3015	11.2800 - 11.2900	3⅛-2⅞orepm	3.12	6⅞-5⅞pm	2.19
France	9.7640 - 9.7920	9.7775 - 9.7875	3⅞-3⅜cpm	4.29	8⅛-7⅜pm	3.25
Sweden	10.8055 - 10.8500	10.8300 - 10.8400	par-¼oredis	-0.14	1⅝-1⅞dis	-0.60
Japan	256.70 - 258.25	257.25 - 258.25	1¼-1⅛ypm	6.40	3¾-3⅝pm	5.72
Austria	20.15 - 20.23	20.17 - 20.20	9¾-8¼gropm	5.28	24-20¼pm	4.43
Switzerland	2.4455 - 2.4820	2.4570 - 2.4580	1¼-1⅛cpm	5.80	3-2⅞pm	4.68
Ecu	1.4000 - 1.4045	1.4025 - 1.4035	0.47-0.43cpm	3.85	1.12-1.06pm	3.11

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.18-5.13cpm. 12 Month 8.90-8.80cpm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Dec 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.9275 - 1.9380	1.9345 - 1.9355	1.04-1.02cpm	6.39	2.79-2.76pm	5.74
Ireland†	1.7870 - 1.7950	1.7915 - 1.7925	0.44-0.39cpm	2.78	1.47-1.37pm	3.17
Canada	1.1560 - 1.1590	1.1570 - 1.1580	0.34-0.37cdis	-3.68	1.03-1.07dis	-3.63
Netherlands	1.6705 - 1.6790	1.6730 - 1.6740	0.21-0.24cdis	-1.61	0.73-0.77dis	-1.79
Belgium	30.65 - 30.80	30.70 - 30.80	3-6cdis	-1.76	13-17dis	-1.95
Denmark	5.7305 - 5.7475	5.7350 - 5.7400	1.15-1.35oredis	-2.61	3.60-4.20dis	-2.72
Germany	1.4800 - 1.4890	1.4835 - 1.4845	0.19-0.21pfdis	-1.62	0.61-0.64dis	-1.68
Portugal	131.40 - 131.85	131.50 - 131.60	28-38cdis	-3.01	180-210dis	-5.93
Spain	94.80 - 95.25	95.00 - 95.10	53-57cdis	-6.94	151-160dis	-6.54
Italy	1119.00 - 1124.85	1121.00 - 1121.50	4.40-4.90liredis	-4.98	12.80-13.80dis	-4.74
Norway	5.8175 - 5.8475	5.8300 - 5.8350	1.40-1.75oredis	-3.24	4.95-5.45dis	-3.57
France	5.0495 - 5.0695	5.0525 - 5.0575	0.87-0.92cdis	-2.12	3.06-3.16dis	-2.46
Sweden	5.5855 - 5.6090	5.5975 - 5.6025	2.80-3.25oredis	-6.48	8.60-9.15dis	-6.34
Japan	132.45 - 133.30	133.20 - 133.30	0.02dis-par	-0.09	par-0.03dis	-0.05
Austria	10.4300 - 10.4740	10.4325 - 10.4375	0.65-1.25grodis	-1.09	3.00-4.40dis	-1.42
Switzerland	1.2670 - 1.2760	1.2695 - 1.2705	0.13-0.17cdis	-1.42	0.39-0.43dis	-1.29
Ecu	1.3755 - 1.3810	1.3785 - 1.3795	0.29-0.26cpm	2.39	0.91-0.85pm	2.55

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Dec 18	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	14⅛ - 14	14⅜ - 14⅛	14⅜ - 14¼	14⅛ - 14	13⅞ - 13¾	12⅞ - 12¾
US Dollar	7⅝ - 7½	7¾ - 7⅝	8 - 7⅞	8 - 7⅞	7⅞ - 7¾	7⅞ - 7¾
Can. Dollar	11⅞ - 11⅝	11⅞ - 11⅝	11⅞ - 11⅝	11⅝ - 11½	11⅜ - 11¼	11 - 10⅞
Dutch Guilder	9⅛ - 9	9⅛ - 9	9⅜ - 9¼	9⅛ - 9	9 - 8⅞	9⅛ - 9
Swiss Franc	10 - 9¾	9⅝ - 9½	9⅝ - 9½	9⅜ - 9¼	9 - 8⅞	8¾ - 8⅝
D-Mark	8¾ - 8½	8⅞ - 8¾	8⅞ - 8¾	9 - 8⅞	8⅞ - 8¾	8⅞ - 8¾
French Franc	9⅝ - 9⅜	9⅞ - 9⅝	10⅛ - 10	10⅛ - 10	10¼ - 10⅛	10⅜ - 10¼
Italian Lira	13 - 11	13½ - 12½	13⅛ - 12⅞	13 - 12½	12⅞ - 12⅝	12⅝ - 12⅜
Belgian Franc	9¾ - 9½	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	10 - 9⅞
Yen	8⅛ - 8	8¼ - 8⅛	8⅝ - 8½	8⅜ - 8¼	8¼ - 8⅛	7⅞ - 7¾
Danish Krone	9¾ - 9½	9⅞ - 9⅝	10¼ - 10	10⅜ - 10⅛	10¼ - 10⅛	10⅛ - 10
Asian $Sing.	7½ - 7⅜	7⅝ - 7½	7⅞ - 7¾	8 - 7⅞	7⅞ - 7¾	7¾ - 7⅝

Long term Eurodollars: two years 8-7⅞ per cent; three years 8⅛-8⅞ per cent; four years 8¼-8⅛ per cent; five years 8⅜-8¼ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Dec.18	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.935	2.873	257.8	9.783	2.458	3.238	2169.	2.239	59.50
$	0.517	1	1.485	133.2	5.056	1.270	1.673	1121	1.157	30.75
DM	0.348	0.674	1	89.73	3.405	0.856	1.127	755.0	0.779	20.71
YEN	3.879	7.506	11.14	1000.	37.95	9.535	12.56	8413	8.685	230.8
F Fr.	1.022	1.978	2.937	263.5	10.	2.513	3.310	2217	2.289	60.82
S Fr.	0.407	0.787	1.169	104.9	3.980	1	1.317	882.4	0.911	24.21
H Fl.	0.309	0.598	0.887	79.62	3.021	0.759	1	669.9	0.691	18.38
Lira	0.461	0.892	1.325	118.9	4.510	1.133	1.493	1000.	1.032	27.43
C $	0.447	0.864	1.283	115.1	4.369	1.098	1.446	968.7	1	26.57
B Fr.	1.681	3.252	4.829	433.3	16.44	4.131	5.442	3645	3.763	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
86	3-55	4-47	0-31	0-63
87	3-05	4-03	0-45	1-19
88	2-23	3-26	0-63	1-42
89	1-47	2-54	1-23	2-06
90	1-17	2-22	1-57	2-38
91	0-57	1-58	2-33	3-10
92	0-39	1-34	3-15	3-50
93	0-27	1-13	4-03	4-29

Estimated volume total, Calls 640 Puts 285
Previous day's open int. Calls 11770 Puts 9685

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
93	4-11	4-57	0-33	1-31
94	3-22	4-11	0-44	1-55
95	2-38	3-37	0-60	2-17
96	1-61	3-03	1-19	2-47
97	1-26	2-37	1-48	3-17
98	1-00	2-10	2-22	3-54
99	0-43	1-50	3-01	4-30
100	0-28	1-30	3-50	5-10

Estimated volume total, Calls 2 Puts 0
Previous day's open int. Calls 638 Puts 349

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
8200	2.06	2.46	0.33	0.66
8250	1.66	2.09	0.43	0.79
8300	1.29	1.76	0.56	0.96
8350	0.99	1.46	0.76	1.16
8400	0.74	1.21	1.01	1.41
8450	0.54	0.99	1.31	1.69
8500	0.38	0.80	1.65	2.00
8550	0.26	0.64	2.03	2.34

Estimated volume total, Calls 1960 Puts 2485
Previous day's open int. Calls 42495 Puts 69344

LIFFE EUROMARK OPTIONS
DM1m points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
8975	0.94	1.13	0.02	0.06
9000	0.71	0.91	0.04	0.09
9025	0.50	0.71	0.08	0.14
9050	0.32	0.52	0.15	0.20
9075	0.17	0.36	0.25	0.29
9100	0.08	0.22	0.41	0.40
9125	0.05	0.13	0.61	0.56
9150	0.02	0.06	0.85	0.76

Estimated volume total, Calls 180 Puts 50
Previous day's open int. Calls 10120 Puts 10002

LIFFE EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
9175	1.01	1.11	0.03	0.04
9200	0.77	0.89	0.04	0.07
9225	0.55	0.68	0.07	0.11
9250	0.36	0.50	0.13	0.18
9275	0.20	0.33	0.22	0.26
9300	0.11	0.22	0.38	0.40
9325	0.05	0.13	0.57	0.56
9350	0.03	0.08	0.80	0.76

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 2469 Puts 1528

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements MAR
8500	0.97	2.51	0	0
8525	0.72	2.26	0	0
8550	0.47	2.02	0	0.01
8575	0.22	1.78	0	0.02
8600	0.01	1.54	0.04	0.03
8625	0	1.31	0.28	0.05
8650	0	1.10	0.53	0.09
8675	0	0.89	0.78	0.13

Estimated volume total, Calls 4374 Puts 1704
Previous day's open int. Calls 90813 Puts 83556

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	88-28	89-16	89-07	89-12
Mar	89-12	89-25	89-04	89-24
Jun	89-24			90-01

Estimated volume 10848 (9986)
Previous day's open int. 25341 (27251)

US TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	97-03	97-05	96-28	96-21
Mar	96-21	96-24	96-08	96-09
Jun	96-10			95-29

Estimated volume 1040 (1226)
Previous day's open int. 6453 (6956)

6% NOTIONAL GERMAN GOVT. BOND
DM250,000 100ths of 100%

	Close	High	Low	Prev.
Mar	83.73	83.85	83.58	83.70
Jun	83.80	83.80	83.75	83.77
Sep	83.87			

Estimated volume 11810 (11898)
Previous day's open int. 83762 (84502)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low	Prev.
Mar	95.70	95.73	95.65	95.74
Jun				

Estimated volume 87 (38)
Previous day's open int. 366 (368)

THREE MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Dec	85.97	86.01	85.96	86.03
Mar	87.51	87.67	87.47	87.64
Jun	88.36	88.53	88.34	88.51
Sep	88.69	88.80	88.69	88.80
Dec	88.72	88.80	88.72	88.82
Mar	88.62	88.69	88.64	88.69
Jun	88.62	88.67	88.65	88.67
Sep	88.62	88.68	88.64	88.69
Dec	88.82			88.88
Mar	88.86	88.95	88.95	88.92
Jun	89.10	89.17	89.17	89.16
Sep	89.10			89.16

Est. Vol. (inc. figs. not shown) 31439 (34974)
Previous day's open int. 145160 (149231)

THREE MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
Mar	92.73	92.74	92.67	92.63
Jun	92.82	92.85	92.79	92.76
Sep	92.75	92.73	92.72	92.69
Dec	92.42	92.40	92.39	92.41
Mar	92.27	92.24	92.23	92.23
Jun	92.02	91.98	91.98	91.97
Sep	91.83	91.82	91.82	91.77
Dec	91.63			

Est. Vol. (inc. figs. not shown) 5959 (5496)
Previous day's open int. 30672 (29579)

THREE MONTH EUROMARK
DM 1m points of 100%

	Close	High	Low	Prev.
Mar	90.67	90.67	90.63	90.63
Jun	90.82	90.83	90.79	90.79
Sep	90.95	90.98	90.95	90.93
Dec	91.06	91.06	91.04	91.04
Mar	91.15	91.16	91.15	91.14
Jun	91.15			91.14
Sep	91.15			91.14
Dec	91.15			

Estimated volume 6667 (8706)
Previous day's open int. 62216 (62017)

THREE MONTH ECU
ECU 1m points of 100%

	Close	High	Low	Prev.
Mar	89.74	89.76	89.72	89.68
Jun	90.02	90.01	90.01	89.91
Sep	90.19			90.12
Dec				

Estimated volume 60 (151)
Previous day's open int. 973 (998)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Dec	2178.5	2184.0	2167.5	2172.0
Mar	2217.0	2222.0	2206.0	2209.0
Jun	2249.0			2241.0

Estimated volume 4990 (5714)
Previous day's open int. 29563 (29797)

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.9350	1.9247	1.9072	1.8834	1.8465

IMM-STERLING $s per £

	Close	High	Low	Prev.
Dec	1.9066	1.9120	1.9028	1.9316
Mar	1.8828	-	-	1.9026
Jun	1.8828	1.8836	1.8828	1.8808

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	97-04	97-12	96-20	96-29
Mar	96-25	97-01	96-06	96-17
Jun	96-11	96-19	95-27	96-03
Sep	95-29	96-04	95-20	95-21
Dec	95-15	95-22	95-08	95-07
Mar	95-01	95-08	95-01	94-25
Jun	94-20	-	-	94-12
Sep	94-08	-	-	94-00
Dec	93-29	-	-	93-21
Mar	-	-	-	-
Jun	-	-	-	-

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Close	High	Low	Prev.
Mar	93.82	93.84	-	93.75
Jun	93.96	93.97	-	93.92
Sep	93.93	93.93	93.89	93.89
Dec	93.70	93.70	-	93.65
Mar	93.53	-	-	93.53
Jun	93.30		-	93.25

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Close	High	Low	Prev.
Dec	0.7855	0.7859	0.7824	0.7848
Mar	0.7839	-	-	0.7825
Jun	0.7817	-	-	0.7803
Sep	0.7794	0.7790	0.7790	0.7780
Dec	0.7784	-	-	0.7770

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Close	High	Low	Prev.
Dec	0.7499	-	-	0.7508
Mar	0.7499	-	0.7494	0.7511
Jun	0.7493	-	0.7487	0.7506
Sep	0.7491	-	-	0.7495

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Close	High	Low	Prev.
Dec	0.6708	0.6720	0.6692	0.6724
Mar	0.6708	-	-	0.6698
Jun	0.6674	0.6682	0.6663	0.6661
Sep	0.6643	-	-	0.6631
Dec	0.6612	-	-	0.6601

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Close	High	Low	Prev.
Dec	92.42	-	-	92.00
Mar	92.72	-	-	92.70
Jun	92.82	-	-	92.82
Sep	92.74	-	-	92.74
Dec	91.64	92.29	-	92.41
Mar	92.27	92.04	-	92.25
Jun	92.02	92.04	-	92.00
Sep	91.84	91.84	-	91.81

STANDARD & POORS 500 INDEX
$500 times index

	Close	High	Low	Prev.
Dec	330.70	332.45	326.75	326.75
Mar	333.10	330.25	-	329.15
Jun	336.10	336.50	-	332.00

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Jan	Calls Feb	Calls Mar	Calls Jun	Puts Jan	Puts Feb	Puts Mar	Puts Jun
1.825	10.80	10.80	10.70	10.86	-	0.32	0.97	2.97
1.850	8.30	8.30	8.23	8.80	0.10	0.69	1.56	3.90
1.875	5.80	5.94	6.24	7.04	0.19	1.29	2.26	4.99
1.900	3.45	4.01	4.51	5.56	0.66	2.06	3.30	6.26
1.925	1.80	2.35	3.17	4.34	1.58	3.27	4.62	7.71
1.950	0.79	1.43	2.16	3.34	3.03	4.83	6.19	9.31
1.975	0.25	0.94	1.50	2.53	5.02	6.87	7.98	11.04

Previous day's open int: Calls 219,275 Puts 258,611 (All currencies)
Previous day's volume: Calls 9,078 Puts 8,704 (All currencies)

10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Close	Change	High	Low	Yield	Open int.
December	100.62	100.66	+0.08	100.68	100.56	9.88	7,592
March	100.72	100.78	+0.10	100.80	100.60	9.86	62,128
June	100.92	100.84	-0.04	100.92	100.84	9.82	8,923
September	-	-	-	-	-	9.87	1,776

Estimated volume 29,777 Total Open interest 80,419

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls March	Calls June	Calls Sept.	Puts March	Puts June	Puts Sept.
98	-	-	-	0.44	0.74	-
99	2.34	-	-	0.66	0.98	-
100	1.67	-	-	0.94	1.38	-
101	1.06	1.60	-	1.32	1.74	-
102	0.63	-	-	-	-	-
103	0.37	0.85	-	-	2.85	-
Open int.	121,853	23,105	3,100	117,959	20,886	3,965

Estimated volume 9,979 Total Open Interest 290,868

THREE MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

	Open	Close	Change	High	Low	Yield	Open int.
December	89.68	89.66	-0.01	89.68	89.63	10.34	16,764
March	89.73	89.72	-0.02	89.75	89.71	10.27	3,763
June	89.80	89.80	-0.01	89.85	89.80	10.20	1,547
September	89.85	89.85	0	89.85	89.84	10.15	0

Estimated volume 4,112 Total Open Interest 22,074

CAC-40 FUTURES (MATIF) Stock Index

	Open	Close	Change	High	Low	Open int.
November	1616.0	1597.0	-14.0	1620.0	1597.0	6,556
December	1631.0	1610.0	-12.5	1639.5	1609.0	2,070
January	1643.0	1625.0	-11.0	1645.0	1625.0	30
March	-	-	-	-	-	210

Estimated volume 7,434 Total Open Interest 8,886

BASE LENDING RATES

	%		%		%
ABN Bank	14	Coutts & Co	14	NatWestminster	14
Adam & Company	14	Cyprus Popular Bk	14	Northern Bank Ltd	14
Allied Trust Bank	14	Dunbar Bank PLC	14	Nykredit Mortgage Bank	14½
AIB Bank	14	Duncan Lawrie	14	Provincial Bank PLC	15
● Henry Ansbacher	14	Equatorial Bank plc	14	Roxburghe Bank Ltd.	14½
Associates Cap Corp	15½	Exeter Trust Ltd	14½	Royal Bk of Scotland	14
● B & C Merchant Bank	14	Financial & Gen. Bank	14	Royal Trust Bank	14
Bank of Baroda	14	First National Bank Plc.	16	● Smith & Williamson Secs.	14
Banco Bilbao Vizcaya	14	● Robert Fleming & Co.	14	Standard Chartered	14
Bank Credit & Comm	14	Robert Fraser & Ptnrs.	14½	TSB	14
Bank of Cyprus	14	Girobank	14	Unibank plc	14
Bank of Ireland	14	● Guinness Mahon	14	● United Bk of Kuwait	14
Bank of India	14	● Hambros Bank	14	United Mizrahi Bank	14
Bank of Scotland	14	Hampshire Trust Plc	14½	Unity Trust Bank Plc	14
Banque Belge Ltd	14	Heritable & Gen Inv Bnk.	14	Western Trust	14
Barclays Bank	14	● Hill Samuel	14	Westpac Bank Corp.	14
Benchmark Bank	14	C. Hoare & Co.	14	Whiteaway Laidlaw	14
Brit Bk of Mid East	14	Hongkong & Shangh	14	Yorkshire Bank	14
● Brown Shipley	14	● Leopold Joseph & Sons	14		
CL Bank Nederland	14	Lloyds Bank	14		
● Charterhouse Bank	14	Meghraj Bank Ltd	14		
Citibank NA	14	McDonnell Douglas Bnk.	14		
City Merchants Bank	14	Midland Bank	14		
Clydesdale Bank	14	Mount Banking	14		
Comm. Bk. of London Plc	14	Nat. Bk. of Kuwait	15		
Co-operative Bank	*14				

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MONEY MARKETS

UK rates soften

UK interest rates were slightly softer yesterday as the Bank of England adopted a more generous attitude towards the money market's liquidity requirements. A firmer tone by sterling also underpinned rates.

Money dealers said the Bank had been more responsive to the market's credit needs now that speculation about an early cut in interest rates had waned somewhat.

"The message about no early reduction in rates has been hammered home by the Bank in its money market operations over the past seven weeks. Now that this fact has been accepted by the market, the Bank can afford to be more generous," one dealer said.

The three-months inter-bank rate eased $\frac{1}{16}$ point to 14$\frac{1}{16}$-14 per cent. The March short sterling contract fell 13 points to 87.51, indicating that futures dealers expect base rates to fall 1¼ points to 12¾ per cent by the end of the first quarter of next year.

For the second day in succession the Bank of England adopted a relatively relaxed approach towards the money market. A total of £501m was injected by way of bill purchases, compared with a day-to-day credit shortage of £450m.

During the morning, the Bank bought £92m of band 1 bank bills at 13⅞ per cent and £203m of band 2 bills at 13¾. After lunch it purchased a further £76m of band 1 bills at unchanged rates. Finally, late assistance of £130m was provided at undisclosed rates.

Among factors contributing to the shortage were bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills, which drained £383m. A rise in the note circulation absorbed a further £200m and bankers' balances below target a further £20m. This was partly offset by Exchequer transactions, which added £50m.

In Brussels the National Bank raised the rate on four month paper issued by the Securities Regulation Fund by 30 basis points to 10.05 per cent. The rise brings the rate into line with one, two and three month paper, which were raised by 25 points to 10.05 on Monday. The increase also follows a rise in market rates in other European countries.

In Frankfurt call money rates were trading at an unchanged 8.40-8.45 per cent. The drain on liquidity caused by year-end technical factors and cash withdrawals before Christmas, kept rates firm.

UK clearing bank base lending rate
14 per cent
from October 8, 1990

FT LONDON INTERBANK FIXING

(11.00 a.m. Dec.18) 3 months US dollars		6 months US Dollars	
bid 7$\frac{13}{16}$	offer 8	bid 7¾	offer 7⅞

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (4pm)

Prime rate	10
Broker loan rate	9¾
Fed.funds	7⅛
Fed.funds at intervention	7⅛

Treasury Bills and Bonds

One month	6.91	Three year	7.41
Two month	7.00	Four year	7.58
Three month	6.93	Five year	7.67
Six month	7.05	Seven year	7.93
One year	7.03	10-year	8.00
Two year	7.28	30-year	8.16

Dec.18	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	8.35-8.45	9.00-9.15	9.05-9.20	9.05-9.20	9.10-9.25	8.50
Paris	9¾-10	10⅛-10¼	-	10⅛-10⅜	-	9.25
Zurich	7⅞-8⅛	9⅛-9⅜	-	8⅞-9⅛	-	-
Amsterdam	9.31-9.43	9.50-9.60	-	9.50-9.60	-	-
Tokyo	8⅛-8¼	8⅝-8⅞	-	8⅛-8⅜	-	-
Milan	12-12¼	14⅛-14⅜	-	13¾-14⅛	-	-
Brussels	8.50	10⅛-10⅜	-	10⅛-10⅜	-	-
Dublin	10¼-10½	10⅝-10⅞	10⅝-10⅞	11⅛-11⅜	11⅛-11⅜	-

LONDON MONEY RATES

Dec 18	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	14½	14⅜	14⅜	14⅛	13⅞	12⅞
Interbank Bid	13	14⅛	14¼	14	13⅝	12⅝
Sterling CDs	-	-	14⅜	14	13⅝	12¾
Local Authority Deps.	14¼	14⅛	14¼	14	13⅝	12⅝
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	15	14⅛	13¾	13	-	-
Company Deposits	-	-	14¼	14⅛	13¾	12¾
Finance House Deposits	-	-	14⅜	14¼	13¾	12⅞
Treasury Bills (Buy)	-	-	13⅞	13⅝	-	-
Bank Bills (Buy)	-	-	13¾	13⅝	12½	-
Fine Trade Bills (Buy)	-	-	14⅛	13⅞	13⅝	-
Dollar CDs	-	-	8.40	8.00	7.75	7.65
SDR Linked Dep. Offer	-	-	9¼	9	9	9
SDR Linked Dep. Bid	-	-	9⅛	8⅞	8⅞	8⅞
ECU Linked Dep. Offer	-	-	10⅝	10⅝	10⅝	10⅝
ECU Linked Dep. Bid	-	-	10½	10½	10½	10½

Treasury Bills (sell); one-month 13$\frac{13}{16}$ per cent; three months 13$\frac{5}{8}$ per cent; six months 12⅞ per cent; Bank Bills (sell); one-month 13$\frac{13}{16}$ per cent; three months 13$\frac{5}{8}$ per cent; Treasury Bills; Average tender rate of discount 13.0040 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day November 1, 1990. Agreed rates for period Dec 26, 1990 to Jan 25, 1991, Scheme I: 14.59 p.c., Schemes II & III: 14.87 p.c. Reference rate for period Nov 30, 1990 to Nov 30, 1990, Scheme IV&V: 13.698 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 14 from December 1, 1990: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 10½ per cent; one-three months 12 per cent; three-six months 12 per cent; six-nine months 12 per cent; nine-twelve months 11½ per cent; Under £100,000 10½ per cent from Oct 8, 1989. Deposits withdrawn for cash 5 per cent.

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Cr Equiv CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Cafcash Deposit Fd	14.46	-	15.26	3-Mth
The CBF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	14.45	-	15.25	3-Mth
Cent. Bd. of Fin. of Church of England‡‡ 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	14.45	-	15.25	3-Mth
Gartmore Money Management Ltd 2-3 White Hart Yard, London SE1R 1NX 071-236 1425				
Call Fnd	14.00	10.92	14.96	6-Mth
7-day Fund	14.20	11.08	15.18	6-Mth
Special Fund	14.28	-	15.63	3-Mth
Dollar	6.12	4.78	6.49	3-Mth

Money Market Bank Accounts

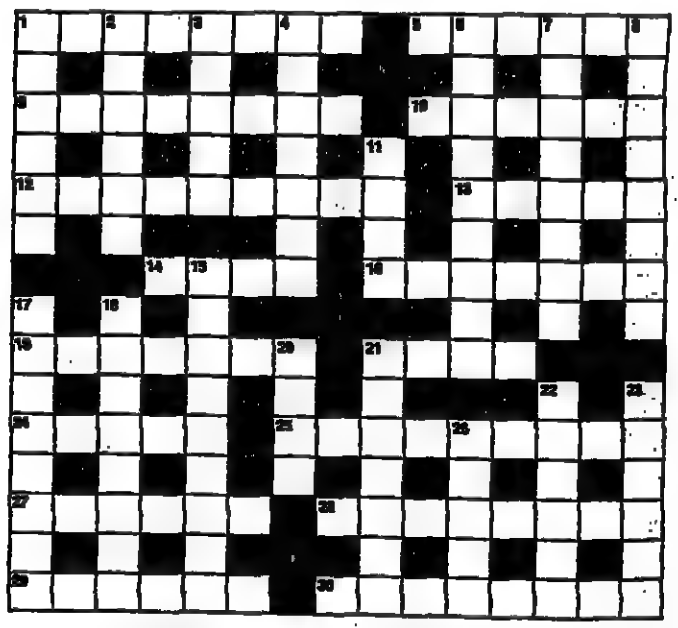
	Gross	Net	Cr Equiv CAR	Int Cr
AIB Bank High Interest Cheque Account Belmont Rd, Uxbridge UB8 1SA 0800 282115				
£2,500-£9,999	12.00	9.36	12.92	Qtr
£10,000+	13.00	10.14	14.04	Qtr
Aitken Hume Bank plc 30 City Road, EC1Y 2AY 071-638 6070				
Treasury Acc	12.50	9.75	13.48	Qtr
Mth Int Chq £1,000-£4,999	12.50	9.75	13.60	Mth
Mth Int Chq £5,000-£49,999	13.00	10.14	14.16	Mth
Mth Int Chq £50,000+	13.50	10.53	14.73	Mth
Allied Trust Bank Ltd 97-101 Cannon St, London, EC4N 5AD 071-629 6802				
OMNIA (£2,001+)	13.95	10.88	15.25	Mth
TOMNIA (£2,001+)	14.25	11.12	15.60	Mth
HICA (£2,001+)	12.90	10.06	14.05	Mth
PROMNIA (£250,001+)	13.95	10.88	15.25	-
American Express Bank Ltd c/o American Express Financial Services Limited Sussex House, Burgess Hill West Sussex, RH15 9AW 0444 239239				
High Performance Cheque Account				
£1,000-£4,999	12.16	9.50	12.87	Mth
£5,000-£9,999	12.30	9.60	13.01	Mth
£10,000-£24,999	12.81	10.00	13.59	Mth
£25,000+	13.58	10.60	14.46	Mth
Bank of Ireland High Interest Cheque Acc 36 Queen St, EC4R 1BN 0753 516516				
£2,000-£9,999	12.179	9.500	13.129	Qtr
£10,000+	12.500	9.750	13.483	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH 071-601 6446				
MM Chq Acc £2,500-£24,999	12.15	9.47	13.20	Mth
£25,000+	12.65	9.86	13.77	Mth
Barclays Capital Advantage Account PO Box 120, Westwood Bs Pk, Coventry 0203 694242				
£10,000-£24,999	12.75	10.00	13.84	Qtr
£25,000-£49,999	13.25	10.25	14.20	Qtr
£50,000+	13.50	10.50	14.56	Qtr
Barclays Prime Account H.I.C.A. PO Box 125, Northampton 0604 252891				
£1,000-£2,499	11.80	9.20	12.70	Qtr
£2,500-£9,999	12.20	9.50	13.13	Qtr
£10,000-£24,999	12.80	10.00	13.84	Qtr
£25,000+	13.10	10.25	14.20	Qtr
Benchmark Bank PLC Premier Account 86 Newman Street, W1P 3LD. 071-631 3313				
Small Deposits	9.50	-	-	-
£2,500-£10,000	12.50	9.75	13.48	Qtr
£10,001-£20,000	12.75	9.95	13.76	Qtr
£20,000+	13.50	10.53	14.60	Qtr
B & C Merchant Bank PLC Portfolio Acc 19 Motcomb Street, London SW1X 8LB 071-245 6416				
£2,500-£9,999	11.375	8.901	11.87	Qtr
£10,000-£49,999	12.75	9.98	13.37	Qtr
£50,000 and above	13.25	10.37	13.923	Qtr
Brown Shipley & Co Ltd Founders Court, Lothbury, London EC2 071-606 9833				
HICA	12.75	9.945	13.70	Qtr
Prof Demand A/C	12.375	9.65	13.34	Qtr
Caledonian Bank Plc 8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	13.50	10.53	14.04	Yearly
Cater Allen Ltd 25 Birchin Lane, London EC3V 9DJ 071-623 2070				
HICA	12.73	9.948	13.60	Mth
Consort £5,000 min	13.50	10.55	14.737	Mth
Charterhouse Bank Limited 1 Paternoster Row, EC4M 7DH 071-248 4000				
£2,500-£19,999	12.25	9.56	12.98	Mth
£20,000-£49,999	12.50	9.75	13.24	Mth
£50,000-£99,999	12.75	9.95	13.60	Mth
£100,000+	13.00	10.14	14.17	Mth
$5,000-$49,999	5.25	4.10	5.38	Mth
$50,000-$99,999	5.75	4.49	5.90	Mth
$100,000-$199,999	6.00	4.68	6.17	Mth
$200,000+	6.25	4.88	6.43	Mth
Many other currencies are available—for rates please phone ext 2160				
Citibank Savings St Martins Hse, Hammersmith Grove W6 081-741 4941				
Money Market Plus				
£2,000-£24,999	11.00	8.60	11.79	Mth
£25,000	11.50	8.98	12.31	Mth
Clydesdale Bank PLC 30 St Vincent Place, Glasgow G1 2HL 041 248 7070				
HICA £2,000-£9,999	11.2	8.74	11.66	Qtr
£10,000-£19,999	12.00	9.36	12.92	Qtr
£20,000-£49,999	12.25	9.55	13.16	Qtr
£50,000+	12.7	9.91	13.71	Qtr
Co-operative Bank Ten Tier 78-80 Cornhill EC3 0800 616162				
£50,000+	12.8	10.0	13.7	6-Mth
£10,000-£49,999	12.5	9.75	13.3	6-Mth
£2,500-£9,999	11.2	8.73	11.8	6-Mth
£1,000-£2,499	10.6	[illegible]	[illegible]	6-Mth
£500-£999	10.2	8.0	10.6	6-Mth
Coutts & Co Reserve Account 440 Strand, London WC2R 0QS 071-753 1000				
For personal customers				
£50,000+	12.375	9.125	12.980	Qtr
£20,000-£49,999	12.25	9.00	12.811	Qtr
£5,000-£19,999	11.75	8.625	11.877	Qtr
For business, charities and societies				
£100,000-£1,000,000	12.625	9.625	13.30	Qtr
£25,000-£99,999	12.50	9.375	12.946	Qtr
£10,000-£24,999	11.50	8.875	12.233	Qtr
Coutts Composite Account for clients money 27 Bush Lane, London EC4R 0AA 071-623 3434				
Rates negotiable up to	14.00	10.9375	-	-
Darlington & Co Ltd 10 The Crescent, Plymouth PL1 3AB 0752 673873				
Money Mkt Acc	13.00	10.14	14.05	Qtr
Edington Plc 1 King Street, Manchester M2 6AW 061 834 2525				
HICA (£1,000+)	13.8125	10.77	14.05	Qtr
Money Market Deposit Accounts—Instant Access				
£1-£999	9.125	7.12	9.41	Mth
£1,000-£24,999	13.125	10.24	14.31	Mth
£25,000-£249,999	13.5625	10.58	14.81	Mth
£250,000-£999,999	13.75	10.73	15.03	Mth
£1,000,000 upwards	13.75	10.73	15.03	Mth
Ninety Day Notice Accounts				
£10,000-£24,999	14.125	11.02	14.60	Yearly
£25,000 upwards	14.50	11.31	15.00	Yearly
Financial & General Bank plc 13 Lowndes Street, London, SW1X 9EX 071-235 0036				
H.I.D.A. £50,000	14.00	10.92	14.89	Qtr
H.I.D.A. £10,000-£50,000	13.85	10.82	14.325	Qtr
Gartmore Money Management Ltd 2-3 White Hart Yard, London SE1 1NX 071-236 1425				
Money Mngt. Acct	13.250	10.34	14.33	3-Mth
Girobank plc High Interest Cheque Acc 10 Milk St, London EC2V 8JH 071-600 6020				
£1,000-£3,999	9.50	[illegible]	[illegible]	Yearly
£4,000-£9,999	[illegible]	[illegible]	[illegible]	Yearly
£10,000-£49,999	10.50	[illegible]	[illegible]	Yearly
£50,000	[illegible]	[illegible]	[illegible]	Yearly
Humberclyde Finance Group Chalfley Ct, Winchester Rd, Basingstoke 0256 841863				
£50,000+	14.00	10.92	15.17	Qtr
Kleinwort Benson Ltd 158 Kentish Town Rd, London NW5 2BT 071 267 1366				
H.I.C.A. (£2,500+)	12.25	9.556	13.357	Daily
Lloyds Bank – Investment Account 71 Lombard St, London EC3P 3BS 0272 433372				
£50,000 and above	[illegible]	[illegible]	[illegible]	Yearly
£25,000+	[illegible]	[illegible]	[illegible]	Yearly
£10,000+	[illegible]	[illegible]	[illegible]	Yearly
£5,000+	[illegible]	[illegible]	[illegible]	Yearly
Below £5,000	6.0	[illegible]	6.0	Yearly
Midland Bank plc PO Box 2, Sheffield 0742 526685				
High Int. Chq Acc.				
£10,000+	[illegible]	[illegible]	[illegible]	Qtr
£50,000+	[illegible]	[illegible]	[illegible]	Qtr
Premier Savings £5,000+	[illegible]	[illegible]	[illegible]	[illegible]
Exchequer Acc £10,000+	[illegible]	[illegible]	[illegible]	[illegible]
£25,000+	14.00	10.50	[illegible]	[illegible]
NatWest Crown Reserve Account 41 Lothbury, London, EC2P 2BP 071-374 3374				
£25,000 and above	13.75	10.73	14.48	3-Mth
£10,000 to £24,999	13.50	10.53	14.20	3-Mth
£2,000-£9,999	[illegible]	10.00	[illegible]	3-Mth
Provincial Bank PLC 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
H.I.C.A. (£1,000+)	13.125	10.24	14.31	Mth
Royal Bank of Scotland plc Premium Acc 42 St Andrew Sq, Edinburgh EH2 2YE				
£50,000+	[illegible]	[illegible]	[illegible]	Qtr
£25,000-£49,999	12.76	[illegible]	[illegible]	Qtr
£10,000-£24,999	12.57	[illegible]	[illegible]	Qtr
£2,500-£9,999	11.48	[illegible]	[illegible]	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB 0708 766966				
H.I.B.A.	12.25	9.56	13.07	Daily
Sterling Bank & Trust Ltd Abbey Gdns, 6 Abbey St, Reading RG1 3BA				
HIDA £2,500+	13.85	10.77	14.46	6-Mth
Tyndall & Co Ltd 29-33 Princess Victoria St, Bristol 0272 744720				
Demand Acc	12.75	[illegible]	[illegible]	Qtr
HIMA	12.75	[illegible]	[illegible]	Qtr
HIMA £100,000+	13.00	[illegible]	[illegible]	Qtr
Client Plus Acc	12.25	[illegible]	[illegible]	Qtr
United Dominions Trust Ltd PO Box 135, Abbey St, Reading RG1 3EB				
Capital Plus Cheque Account				
£1,000+	13.60	10.61	14.31	-
J. Henry Schroder Wagg & Co Ltd 120 Cheapside, London EC2V 6DS				
Special Acc	[illegible]	[illegible]	[illegible]	Mth
£10,000 and above	13.25	10.34	[illegible]	Mth
Western Trust High Interest Cheque Acc The Moneycentre, Plymouth PL1 1SE 0752 224141				
£25,000+	13.50	10.53	[illegible]	Mth
£5,000-£24,999	13.00	10.14	[illegible]	Mth
£1,000-£4,999	[illegible]	[illegible]	[illegible]	Mth
Wimbledon & South West Finance PLC 114 Newgate St, London EC1 7AE 071-606 9485				
High Int Cheque Acc	13.50	10.53	14.60	Qtr

NOTES—Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Cr Equiv CAR: Gross equivalent to basic rate taxpayer—compounded annual rate. Int. Cr: frequency interest credited.

JOTTER PAD

CROSSWORD

No.7,423 Set by HIGHLANDER



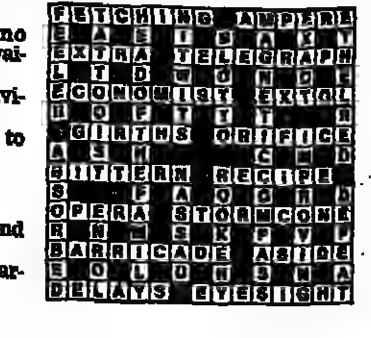
ACROSS

1 Shell fragments are involved in her plans (8)
5 Significance people put in evidence of roadworthiness (6)
9 Type of green wrench found in Ireland (8)
10 Like the heartless naval force behind (6)
12 Running away from work in one's own field (9)
13 Runs river services which can't be intercepted (5)
14 Look out for hole in the ground (4)
16 Ruse is upset by note being put in circulation again (2-5)
19 Soldier has nothing to send information back about (7)
21 Carry on with payment (4)
24 Caught, trapped by temptation to make money (5)
25 Wearing light shoes completely smoothed outside (9)
27 Emerged with a pay increase on first of November (6)
28 Interminably hot: no remarkable thing in Hawaiian islands (8)
29 Is inclined to circumnavigate river currents (6)
30 Principal needs time off to obtain capital support (8)

DOWN

1 Tommy gets rid of one bond (6)
2 Stuff staff use to clean barrel (6)
3 Clear second in prize money (5)
4 Evacuate from island (7)
6 Following dead, helping (9)
7 Train for duty without sign of hesitation (8)
8 Hard metal barrel on end of big gun (8)
11 The way tax-collectors become active (4)
15 Grasp collar (9)
17 Begin with introduction of new law that's strong and reliable (8)
18 Study the Church, I have to believe (8)
20 Unguarded hives perhaps (4)
21 But lose the others? Charming! (7)
22 Nippers heard part of sentence (6)
23 A fair hearing to determine amount of settlement (6)
26 Audibly permitted in speech (5)

Solution to Puzzle No.7,422



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WORLD STOCK MARKETS

AUSTRIA

December 18	Sch	+ or −
Austrian Airlines	2,730	−20
Creditanstalt	3,300	−30
Erste Allgemeine	20,600	−500
Jungbunzlauer	8,700	—
Laenderbank	1,380	−10
OeMV	8,770	−100
Perlmooser	1,450	−50
Radex	770	−1
Reininghaus	1,760	−40
Steyr-Daimler	169	—
Veitscher Mag	668	−2
Verbund (Br) A	480	−5
Wienerberger	5,200	−100

BELGIUM/LUXEMBOURG

December 18	Frs.	+ or −
ACEC-Union Min	2,370	−305
Arbed	3,125	+125
B.B.L.	2,400	−30
Bank Intl. a Lux	13,000	—
Banque Gen. Du. Lux	13,000	—
Barco	1,150	−22
Bekaert	7,600	−200
Ciment CBR	5,650	—
Cobepa	4,830	−70
Do. AFV 1	4,840	−40
Cockerill	146	—
Colruyt	2,650	−5
Delhaize	5,850	+80
Electrabel	4,280	—
Do. AFV 1	4,210	—
Electrafina	6,160	—
Fabrique Nat.	77	−2
GIB Group	1,082	+22
Do. AFV	1,088	+4
GBL(Brux)	3,445	+5
Do. AFV 1	3,360	−25
Gechem	670	+8
Do. AFV	662	−8
Generale Bank	4,150	−50
Do. AFV 1	4,420	—
Gevaert	6,300	−100
Kredietbank	3,325	+25
Do. AFV	3,205	−45
Pan Holdings	11,950	—
Petrofina	9,840	−20
Royale Belge	4,060	−45
Do. AFV 1	4,120	−130
Soc Gen Belge	1,930	−50
Do. AFV	2,055	−60
Sofina	10,675	+75
Solvay	10,600	+75
Tessenderlo	5,950	−250
Do. AFV	5,500	−110
Tractebel	7,600	—
Do. AFV 1	7,500	−30
UCB	18,475	−75
Do. AFV	16,500	−875
Unerg	2,250	—
Do. AFV 1	2,210	−30
Wagons Lits	7,690	−90
Do. AFV	6,440	—

DENMARK

December 18	Kr	+ or −
Baltica Hldgs	865	−5
Carlsberg	1312.5	−27.5
Danisco	855	−20
Den Danske Bank	274	−2
East Asiatic	174	−4
FLS Inds. B	817	−3
GN Great Nordic	725	−13
Hafnia Invest.A	805	−5
I.S.S. B Systems	835	−15
Jyske Bank	350	+2
Lauritzen (J) B	1,210	−30
NKT A/S	365	−35
Novo Nordisk	358	−8
Royal C'hagen A	525	—
Sophus Berendsen	1,240	−10
Superfos	4,500	—
TopDanmark	1,870	−30
Unidanmark	247	−4

FINLAND

December 18	Mka	+ or −
Amer	60	—
Cultor	40.4	+0.1
Enso-Gutzeit R	11.9	—
Huhtamaki I Free	76	—
KOP	33.8	+0.3
Kone	435	−25
Kymmene	52.5	−1
Nokia Pref Free	50	−1
Pohjola 'B' Free	68	—
Rauma-Repola	23	−1
Stockmann 'B'	100	—
Tampella (Free)	39.5	—
UBF 'C'	19.8	+0.3
Utd. Paper Prf.	85	—
Wartsila (a11)	380	—

FRANCE

December 18	Frs.	+ or −
Accor	670	+14
Air Liquide	637	−7
Arjomari-Prioux	1,562	−18
Auxiliare d'Ent	1,194	+19
BIC	508	−1
BSN	742	−2
Bancaire Cie	478	+8
BNP (Cert.Inv.)	226.2	−13.8

FRANCE (continued)

December 18	Frs.	+ or −
Beghin-Say	651	−8
Do. Certs	955	−2
Bongrain	2,300	−80
Bouygues	428	−7
CFAO	356	−4.1
CGIP	832	−12
CMB Packaging	104	+0.5
Canal+	861	+8
Carrefour	3,320	−15
Casino	134.9	−0.6
Cetelem	469	−4
Chargeurs	652	−35
Ciments Fr.	947	−23
Club Mediterranee	474	−7
Coflexip	383	+5
CGE	551	−9
Coparex	581	—
CCF	155	−2
Cred Foncier Fr	849	−8
Cred Lyonn (CI)	570	+2
Credit National	974	−1
Damart	2,000	−45
Docks de France	3,835	+35
Dollfus-Mieg	307.1	−5.9
Eaux (Cie Gen)	2,254	−17
Ecco	298.1	−3.9
Elf-Aquitaine	299.8	+2.8
Do. Certs	212	−3
Epeda-Bertrand	883	−84
Essilor	292	+5
Etex	1,425	−18
Eurafrance	1,291	−4
Eurocom	660	−25
Euro Disneyland	95.25	−2.75
Euromarche	3,260	−70
Exor	1,239	−24
Finextel	140	+8
Fonciere Lyons	830	+18
Fromageries	1,990	+11
GTM-Entrepose	318	−24
Gaumont (Soc N)	895	−11
Gen Geophysique	748	−25
Gen. Occidentale	600	−5
Hachette	152.1	−7.8
Havas	446	+1
Imetal	214.5	−8.5
Immobiliere de Fr	1,110	−10
Immobanque	680	+9
Industrielle	4,190	−130
Interbail	422	+2
Intertechnique	1,030	−18
LVMH	3,555	−25
Lafarge Coppee	319	−2
La Henin	466	+0.9
L'Oreal	498	−3
Legrand	3,480	+10
Locafrance	425.5	−14.5
Lyon Eaux Dumez	906	−8
Maisons Phenix	136	+2
Matra S.A.	221	−4.2
Merlin-Gerin	486	−0.5
Michelin B	64.5	−1.1
Midi (Cie)	994	−13
Moulinex	75.2	+0.4
Navigation Mixt.	1,289	+9
Nord Est	117.5	−4.8
Nouvelle Galer.	685	+7
OFP	1,470	−40
Ocean	120	−3.5
Paribas	466.4	−10.3
Paris Reescompte	242	−3
Pechelbronn	1,305	−10
Pernod Ricard	933	−22
Perrier	1,130	−40
Peugeot S.A.	509	−5
Poliet	412	−19
Pretabail Sicomi	1,008	−8
Printemps Au	571	−14
Promodes	1,985	−8
Radiotech	325	−4.1
Redoute	3,295	−8
Rhone-Poul (Cs)	226.5	−8
Roussel-Uclaf	2,033	−63
SILIC	640	—
Sagem	1,372	−35
St. Gobain	363.9	−2.9
Saint Louis	1,278	−12
Sanofi	780	−26
Schneider	676	+17
Seb SA	1,261	+1
Sefimeg	443	—
Simco	505	−18
Skis Rossignol	739	−26
Soc. Gen. de Fr	408.5	−5
Sommer-Allibert	1,237	+25
Spie-Batignolles	397.1	−20.9
Suez (Fin de)	298.2	−8
Taittinger	3,530	−50
Thomson (CSF)	116.1	−1
Total-Petroles Fr.	657	−4
UAP	522	−17
UFB Locabail	190	−7.5
Unibail	737	−9
Union Immob Fr	600	+14
Valeo	340	−10
Vallourec	206	−7

GERMANY

December 18	Dm.	+ or −
AEG	216	−3.5
AG Ind & Verkehr	831	−4
Aachener Mn (Reg)	685	−25
Allianz AG	2,190	−15
Altana	512	—
Asko Deutsche K	762	−7.5
Do. Prf.	765	−7.2
BASF	214	+0.4
Badenwerk	226	−3
Bayer	226.2	+0.4
Bayer-Hypo	327	+4.5

GERMANY (continued)

December 18	Dm.	+ or −
BMW	434	−1
Bayer-Verein	946.5	+9.5
Beiersdorf	750	−10
Berliner Kraft	115	−7.2
BHF-Bank	367	+1
Bilfinger & Berg	810	−5
Brown Boveri	800	+1
Colonia Versich	1,290	—
Do. Pref.	680	−8
Commerzbank	243.5	−1
Continental AG	221	—
DLW	666	+8
Daimler-Benz	591	+0.5
Deckel (Fr.)	155	+5
Degussa	302	−0.5
Deutsche Babcock	147	+4
Deutsche Bank	627.5	+0.5
Didier-Werke	175	−6
Douglas Hldgs	762.5	−6.5
Dragerwerk	225	—
Dresdner Bank	378	−2.5
Fag Kugelfischer	250	−5
Gerresheimer	328	−2
Goldschmidt (TH)	489	−2
Hamburg Elekt	182	+5
Hapag Lloyd	355	+6
Heidelberger Zem	1,070	−70
Henkel Pref.	535	+12
Herlitz	361	+6
Hochtief	1,218	−12
Hoechst	224	+1.5
Hoesch	212	+1
Holzmann (P)	1,200	+5
Horten	196	−4
Industriekredit	237	−1
Industrie Werke	313.5	+0.5
Kali & Salz	148.5	−8.5
Karstadt	612	+8.8
Kaufhof	499.5	−0.5
KHD	183.5	−6.5
Kloeckner Werke	128.5	−0.2
Kraft Werke Rh	280	−5
Lahmeyer	1,040	−30
Leifheit	780	+2
Linde	797	+6
Lufthansa	114	−1.5
Do. N/V Pref.	103	−3
MAN	381.2	−1.8
Do. Pref.	327	−3
Mannesmann	278.8	−3.8
Mannheimer Vers	840	+5
Mercedes Hld	463	−5
Metallgesell	440	−8
Muench Rck (Reg)	2,300	+5
PWA	225	−3.5
Philips Kommun.	519.8	+0.3
Porsche	731	+13
Preussag	276	−2.5
Rheinelektra	2,133xc	−2
Rhein West Elect	397	+1
Do. Pref.	384.5	−1.5
Rheinmetall Berl	295	−1
Do. Pref.	184	−2
Rosenthal	360	−10
Schering	711.1	+2.6
Schmalbach-Lub	305	−9.8
Siemens	615.8	+3
Springer Axel Vg	718	−7
Sud-Chemie	600	—
Thyssen	197.5	−1.5
Varta	320	+2
Veba	320	+2
V.E.W.	206	−0.2
Vereins-West	350	—
Viag	341	+1
Volkswagen	356.5	−0.5
Do. Pref.	310.5	−7.5
Wella Pref.	738	−9
Zanders Feinpap	210	—

ITALY

December 18	Lire	+ or −
Banca Com'le	4,380	−10
Banca Naz Agric	5,675	−65
Banco Lariano	6,055	—
Bastogi-IRBS	319	—
Burgo (Cartiere)	7,815	+65
CIR	2,540	−40
Caffaro	721	−20
Cementir	1,989	−1
Cigahotel	3,135	+13
Cofide	2,700	—
Credito Italiano	2,405	+1
Danieli	7,350	−50
Enimont	1,555	+5
Eridania	7,580	−135
Ferruzzi Fin	2,261	−14
Fiat	5,694	−105
Do. Priv.	4,319	−42
Fidis	6,220	−30
Fondiaria	39,700	−300
Gemina	1,609	+14
Generali Assicur	30,300	+190
Gilardini Ind.	2,670	−30
IFI Priv.	14,810	−20
Italcable	7,075	−25
Italcementi	19,100	−150
Italgas	2,725	−5
Lloyd Adriatico	12,915	−285
Magneti Marelli	880	—
Mediobanca	13,890	—
Montedison	1,449	−22
Olivetti	3,350	−40
Pirelli Co	5,840	−35
Pirelli Spa	1,730	−5
Rinascente Co	5,775	+40
RAS	17,510	−190
SIP	1,210	+5
Saffa A	7,030	−130
Saipem	1,731	−70
SASIB	6,980	+85

ITALY (continued)

December 18	Lire	+ or −
Sirti Spa	10,600	—
SMI	1,260	−10
Snia BPD	1,442	−28
STET	1,845	+25
Toro Assicur	19,800	+150
Tosi Franco	28,350	−350
Unicem	10,250	+75

NETHERLANDS

December 18	Fls.	+ or −
ABN Amro Hldgs	31.70	+0.2
ACF Holding	32.90	+0.2
AEGON	108.70	+0.5
Ahold	68.20	+0.6
AKZO	77.20	+0.5
AMEV	47.40	−0.1
Bols Lucas	176.00	+0.5
Borsumij Wehry	71.00	−1
Buhrmann-Tet.	45.90	−0.2
Centrale Suiker	85.30	+0.8
DAF	18.60	−0.1
DSM	87.50	—
Dordtsche Petroleum	123.50	+1.3
Elsevier Dp Rcts	73.70	−0.9
Fokker	32.50	+0.3
Gamma	42.50	—
Gist Brocades	29.70	—
Heineken	135.60	+0.1
Holl. Beton	157.00	−1
Hoogovens	54.50	−0.7
Hunter Douglas	58.10	−0.1
IHC Caland	50.60	—
Int Mueller	77.00	—
KLM	20.40	+0.1
Kempen	11.00	—
KNP	37.2	+0.2
NMB Postbank	39.00	−0.5
Nat. Ned Cert.	48.80	−0.6
Nedlloyd	37.80	+0.2
Nijverdal-Ten C.	79.50	+0.2
Nutricia Ver B.	117.00	—
Oce Grinten	35.50	−0.4
Ommeren (Van)	43.60	+0.2
Pakhoed	192.50	+0.3
Philips	20.90	−0.1
PolyGram	31.00	+0.2
Robeco	86.70	−0.4
Rodamco	54.30	−0.7
Rolinco	81.30	—
Rorento	60.10	—
Royal Dutch	130.20	+1.4
Unilever	150.00	+0.3
VMF Stork	42.50	−0.9
VNU	84.50	—
Wessanen	63.80	−0.1
Wolters-Kluwer	48.10	—

NORWAY

December 18	Kroner	+ or −
Aker A (Free)	90.00	—
Bergesen A	121.50	−5.5
Ch'stiania Bk Free	78.00	+2
Den norske Bk Free	142.50	−2.5
Dyno Ind.	112.00	—
Elkem (Free)	116.00	−6.5
Hafsl Nyco A Free	161.00	+1
Kvaerner (Free)	216.00	−4
Nora Ind A Free	270.00	—
Norsk Data A	39.00	+1
Norsk Hydro	183.00	—
Norske Skog A Fr	139.00	+1
Orkla Borr (Free)	202.0	−4
Saga Pet A Free	118.0	+3
Saga Pet B Free	117.5	+0.5
Storebrand (Free)	116.00	—
Vard AS A	67.00	—

SPAIN

December 18	Pts.	+ or −
Banco Bilbao Viz	2,550	+20
Banco Central	4,590	−45
Banco Exterior	3,425	+5
Banco Hispano	2,695	+30
Banco Popular	9,200	+260
Banco Santander	4,640	−20
Banesto	3,475	−25
Bodegas Bobadilla	3,930	—
Citroen Hispania	6,500	—
Corp Fin Alba	5,220	—
Corp. Mapfre	4,120	−30
Dragados	2,460	+70
Ebro	2,350	+65
Electra Viesgo	3,150	—
Endesa	2,210	−10
Energia Ind Ara	1,085	+5
Ercros	430	+6
Esp Carburos Mt	4,500	—
Esp Acum Tudor	976	−34
Fasa Renault	2,320	—
Fecsa	460	—
Hidroel Cantab.	1,565	−10
Hidrola	485	+4
Iberduero	461	+1
Koipe	3,650	+50
Metal Duro-Felg	1,300	+15
Petroleos (Cia Esp)	1,565xr	−50
Portland Vald.	18,600	+350
Repsol	2,385	—
SNIACE	288	+2
Sarrio	636	+13
Sevillana Elec.	528	+3
Tabacalera	3,750	+25
Telefonica	855	+8
Union Elec-Fen.	524	+6
Union y el Fenix	6,200	+100
Uralita	1,720	−15
Urbis Ser.2	1,475	−5
Vallehermoso	2,080	+20

SWEDEN

December 18	Kronor	+ or −
AGA B (Free)	270	−5
Alfa-Laval B (Free)	185	−3
Asea B (Free)	498	−12
Astra A (Free)	504	+14
Astra B (Free)	494	+6
Atlas Copco A (Free)	163	—
Electrolux B (Free)	164	−1
Ericsson B (Free)	179	−1
Esselte B (Free)	95	−5
Gambro B Free	139	−1
Mo Och Dom B Free	200	−20
Nobel Free	63	—
Procordia B (Free)	150	—
Saab-Scania B Free	140	—
Sandvik B (Free)	235	+5
Skandia (Free)	127	—
Skan Enskilda C	56	—
SKF B Free	80.5	−0.5
Stora Kopp B Free	240	+4
SCA B (Free)	85	−1
Svka Hand B Fr	100	−2
Trelleborg B Fr	97	−1
Volvo B (Free)	223	−2

SWITZERLAND

December 18	Frs.	+ or −
Adia Intl (Br)	795	+5.0
Do. Ptg. Certs.	73	+2.0
Alusuisse Lonza	907	+7
Do. Ptg. Certs.	73	−0
Baloise Hld Ptg	2,140	−20
Brown Bov (Br)	4,060	+50
Do. Ptg.	725	+1
CS Hldgs.	1,540	−5
Ciba Geigy (Br)	2,400	+40
Do. (Reg)	2,030	+20
Do. (PtCts)	1,950	—
Elektrowatt	3,180	−10
Elvia	1,770	−10
Fischer (Geo.)	1,340	−10
Do. Ptg.	209	−1
Forbo	2,080	−30
Holderbank (Br)	4,050	—
Holzstoff (Br)	4,700	—
Jelmoli	1,430	−60
Do. Ptg. Certs	320	−5
Landis and Gyr	990	−40
Do Priority Ptg	85	−2
Leu Hldgs (Br)	1,090	−10
Do. Ptg.	172	—
Mag. Globus Ptg	770	−10
Mikron (Reg)	475	+15
Motor-Columbus	1,360	−40
Nestle	7,490	+30
Do. (Reg)	7,170	+10
Oer-Buhrle	425	−20
Pargesa Hldg	980	−30
Pirelli	344	—
Richemont	8,000	—
Roche Hldgs (Br)	6,800	+50
Do (Genuss)	3,700	+30
Sandoz (Br)	9,350	+100
Do. (PtCts)	1,880	+5
Schindler (Br)	4,800	—
Do. (PtCts)	840	+15
Sika	780	—
Surveillance (Br)	6,430	−10
Swissair	590	−10
Swiss Bank (Br)	269	—
Do. Ptg.	228	+1
Swiss Reinsce	3,160	−10
Do. Ptg.	599	−5
Swiss Volksbk	1,130	—
Union Bank (Br)	2,770	+10
Do. Ptg.	110	−1
Winterthur	3,700	−70
Do. Ptg.	646	+6
Zurich Ins	4,020	+30
Do. Ptg.	1,990	+15

SOUTH AFRICA

December 18	Rand	+ or −
AECI	12.75	—
Altech	80	—
Anglo Am Coal	83	—
Anglo Am Corp	95.75	+0.5
Anglo Am Gold	220	−3
Barlow Rand	37	−0.75
Buffels	42	−3.25
CNA Gallo	18.25	+0.15
De Beers/Centen'y	68	−0.85
Deelkraal Gold	8	+0.1
Driefontein	33.5	−0.25
East Rand Gold	6.3	+0.05
Elandsrand Gold	20.5	−0.25
First Nat. Bank	31	—
Free State Cons Gold	28	−0.5
Gold Fields SA	61.5	—
Hartebeest	16.25	−0.75
Highveld Steel	13.25	—
ISCOR	1.89	−0.01
Kinross Gold	49	−2
Kloof Gold	27.25	−0.25
Libanon Gold	2.05	—
Minorco	16.5	—
Nedcor	10.75	—
OK Bazaars	14.25	—
Palabora Mining	60	—
Rembrandt	14.8	−0.15
Rust Plat	58.75	−0.5
Safmarine & Ren.	44	—
Sage Holdings	7	—
Smith (CG) Fds	36	—
SA Brewers	40.5	+0.25
SA Mang. Amcor	22.5	—
Tiger Oats	29.75	+0.25
Tongaat Hulett	13.65	—
Vaal Reefs	181	−4.59
Western Deep	92.5	−1.5

CANADA

TORONTO
Closing prices December 18

Quotations in cents unless marked $.

Sales	Stock	High	Low	Close	Chng
8807	Abitibi Pr	$12⅞	12¾	12⅞	+ ⅛
100	Acklands	$8	8	8	+ ¼
8000	Agnico E	$8¼	8⅛	8⅛	
24410	Alberta En	$16⅝	16⅜	16½	+ ⅛
14325	Alberta N	$12½	12¼	12½	+ ⅜
412089	Alcan	$22⅝	22¼	22⅜	− ⅜
141243	A Barrick	$22⅝	22¼	22½	− ⅛
12200	Atco I f	$11⅛	11⅛	11⅛	+ ⅛
303781	BCE Inc	$40⅛	39⅝	40	+ ⅛
32946	BCE D	11	10	10	− 1
7900	BCE Mobl	$18⅛	18⅛	18⅛	− ⅛
8750	BC Sugar A	$15	14⅞	14⅞	− ⅛
6100	BGR A	$8⅛	8	8⅛	
4150	BP Canada	$10½	10¼	10¼	− ⅛
174021	Bk Montl	$30⅛	29½	30⅛	+ ⅜
300521	Bk NScot	$12⅝	12½	12½	
3700	Baton	$5⅝	5½	5½	− ⅛
209000	Bmoral	18	18	17	− 2
800	Bombdr A	$16⅛	16⅛	16⅛	+ ⅛
100880	Bombdr B	$15½	15⅜	15⅜	− ⅛
6363	Bow Valy	$14⅛	14⅛	14⅛	+ ⅛
34800	Bramalea	$8⅛	8	8⅛	
40730	Brascan A	$16½	16¼	16¼	− ⅛
69800	Briwater	84	80	81	− 2
88035	BC Phone	$18⅞	18⅝	18⅝	
2558	Bruncor	$17⅞	17⅞	17⅞	
6700	Brunswk	$7⅝	7⅜	7⅜	− ⅛
30800	CAE	480	470	475	
1800	CCL B f	$8	7⅞	7⅞	+ ⅛
4400	CFCF	$8⅞	8⅞	8⅞	
8400	Cambior	$10⅜	10⅛	10⅛	− ⅛
7100	Cambridg	$30⅝	29½	29⅞	
11800	Camp Res	38	35	35	
8747	Camp Soup	$22	21½	21⅞	+ ⅛
88878	Campeau f	45	41	42	
32547	C Nor West	80	72	73	− 7
190082	C Packrs	$10⅞	10⅞	10⅞	+ ⅛
100	CS Pete f	280	280	280	− 15
100817	C Express f	13	12	12½	− ½
4000	CG Invest	$37½	37½	37½	+ ¼
288851	Cl Bk Com	$27⅝	27	27¼	+ ¼
500	C Marconi	$8⅞	8⅞	8⅞	
22250	C Occidntl	$13⅛	13⅜	13⅜	
2840	CP Forest	$28⅞	28⅝	28⅝	+ ⅛
410810	CP Ltd	$20⅛	20	20⅛	+ ⅛
20800	C Roxy	$6⅞	6⅞	6⅞	
122504	CTire A f	$21⅛	20⅞	21	+ ⅛
11700	CUtil A f	$20⅞	20⅝	20⅝	+ ⅛
1000	CUtil B	$20⅝	20⅝	20⅝	+ ⅛
17206	Canamax o	40	40	40	− 3
18000	CanamA f	305	295	295	− 5
11800	Canfor	$21⅛	21⅛	21⅛	+ ⅛
1150	Cara	$16½	16⅜	16½	+ ½
400	Cara A f	$15	15	15	+ ¼
14833	Cascades	490	480	480	− 20
13800	Cae Capital	$6	6⅞	6	− ⅛
20800	CenCap A	485	480	480	− 10
18800	CentFd A	475	475	475	+ 5
1800	C Gear Trs	$8	8⅞	8⅞	+ ⅛
8000	Charan	5	5	5	
200	Chieftan	$21⅛	21⅛	21⅛	− ½
1000	CHUM B f	$19	19	19	
16826	Cineplex	245	235	240	− 10
1350	Co Steel f	$15½	16½	15½	+ ⅛
88020	TCC Bev	$10⅛	10	10⅛	+ ⅛
12282	Cominco	$21⅞	21⅝	21⅝	− ⅛
60100	Con TVX	425	425	425	− 5
4400	Comm Gas	$34⅛	34⅛	34⅛	
187	Consm Pkg	400	400	400	
3450	Conwst B	$13⅛	12⅞	13	− ⅛
524886	Corona A f	485	485	485	− 15
2800	Coscan	$5⅞	5⅞	5⅞	− ⅛
34700	Crownx A f	275	263	270	− 6
34050	Denison A	85	80	80	− 15
48295	Denison B f	80	80	80	− 20
900	Derlan	$8	8	8	
872	Dickensn A f	385	385	385	− 5
21818	Dofasco	$17⅞	17⅞	17⅞	+ ⅛
44227	D Textile	$5⅞	5⅜	5⅜	− ⅛
2622	Domtar	$9⅞	9⅝	9⅝	− ⅛
3200	Du Pont A	$24⅛	24⅛	24⅛	
8300	Dylex A	300	285	285	− 10
200	E-L Fin	$45	45	45	− 1
36380	Echo Bay	$9	8⅞	8⅞	− ⅛
120000	Emco	450	450	450	
13600	EmpireA f	$9⅞	9	9⅛	+ ⅛
34000	EquitySv A	70	67	67	− 3
15010	FCA Intl	$7½	7⅛	7½	
182300	FPI Ltd	480	480	480	
200	Fin Trsco	5	5	5	
28014	Fed Ind A	$6½	6⅜	6⅜	− ⅛
11836	Fleming L	$12	11⅞	12	+ ⅛
43400	FCity Fin	400	400	400	
104000	FMarthA f	$6⅛	6⅛	6⅛	
18527	Fortis	$22½	21⅞	22½	+ ⅜
33500	FourSeasn f	$17	16½	16½	− ½
2500	Franco o	$15	15	15	
41080	GW Util	$36⅛	36⅛	36⅛	
3125	Galactic	120	115	115	
3800	Gandalf	275	265	265	− 35
4300	Gendis A	$19⅛	19⅛	19⅛	+ ⅛
800	Glamis	300	290	290	− 4
13400	Goldcorp f	410	410	410	− 5
13825	Gld Knight	$11⅛	11	11⅛	
34420	Grafton A f	220	220	220	− 1
10800	Granges	143	143	143	− 1
68625	GL Group	$21⅛	21½	21⅛	
2200	GW Lifeco	$12⅛	12	12⅛	+ ⅛
3000	Greyhnd	$31⅛	31⅛	31⅛	+ ⅛
130060	Gulf Res	$11⅛	11	11⅛	− ⅛
11400	Haley	240	215	235	+ 3
600	Hawker	$22	22	22	+ ⅛
315	Hayes D	$11⅝	11⅝	11⅝	− ⅛
16800	Hees Intl	$17⅞	17⅞	17⅞	− ⅛
118858	Hemlo	$9⅞	9⅜	9⅜	− ⅛
1000	Hollngr	$11⅛	11⅛	11⅛	− ⅛
28250	Horsham f	$9⅛	9	9	− ⅛
1839	H Baymin s	55	5	5	
10188	H Bay Co	$19⅞	19⅝	19⅞	+ ⅛
43370	Imasco L	$28⅛	27⅞	28	− ⅛
42796	Imp Oil A	$59⅛	58⅞	58⅞	+ ⅛
112368	Inco	$30½	30⅛	30½	+ ⅛
8800	Innopac	140	140	140	
6550	Interhome	$47⅞	47½	47½	− ⅛
230	Inv Grp	$23⅛	23⅛	23⅛	
5095	Ipsco	$17⅞	17⅞	17⅞	− ⅛
64826	Ivaco A f	$7⅛	6⅞	7	
8345	Ivaco B	$7⅛	7	7	− ⅛
2850	Jannock	$12⅞	12½	12½	− ⅛
474700	Kerr Add	$16	14⅞	16	+ 1½
7844	Labatt	$21⅞	21⅛	21⅛	− ⅛
261810	Lac Mnrls	$8⅞	8⅛	8⅛	− ⅛
140	Lafarge p	$14⅞	14⅞	14⅞	
4875	Laidlaw A	$21⅞	21⅝	21⅝	
887144	Laidlw B f	$21⅞	20⅞	21⅞	+ ⅛
283	Lasr Gr B	$8	8	8	+ ⅛
27250	LawsnM A	$8⅛	8⅛	8⅛	
30850	Loblaw Co	$18⅞	18⅞	18⅞	+ ⅛
7100	MDS A	$15⅛	15	15⅛	+ ⅛
10340	MDS B	$15⅛	15	15⅛	
43875	Mac Kenzie	$7⅛	7	7	
91799	Macmillan	$17	16⅝	16⅞	+ ⅛
2000	Magna A f	225	220	220	− 10
3200	MarItime f	$17⅛	17⅛	17⅛	− ⅛
1650	Mark Res	$9	9	9	
3500	Memotec	$8⅛	8⅛	8⅛	
200	Minnova	$14⅛	14⅛	14⅛	
25113	Mitel Corp	135	130	135	
6024	Molson A f	$32⅞	32½	32½	− ⅛
3000	Molson B	$32⅛	32⅛	32⅛	
158480	Moore	$26⅞	26⅛	26½	− ⅛
28800	Muscocho	9½	9	9	− 1
284048	Nat Bk Can	$8⅛	7⅞	8⅛	+ ⅛
4606	NewTel Ent	$17½	17⅛	17⅛	− ⅛
19870	Noma A	435	430	430	− 5
18050	Noranda F	$7⅞	7⅞	7⅞	− ⅛
42095	Noranda	$17⅞	17	17⅞	+ ⅛
11759	Norcen	$25	24⅞	24⅞	+ ⅛
6158	Norcn A f	$22	21⅞	21⅞	+ ⅛
2417	NC Oils	$15	14⅞	14⅞	− ⅛
167929	Nor Tel	$32⅛	32	32⅛	+ ⅛
1000	Northgat	150	150	150	+ 10
143073	Nova f	$8⅞	8½	8⅞	+ ⅛
2300	Nowsco W	$14⅛	14⅛	14⅛	− ⅛
450	Numac	$6⅛	6⅛	6⅛	− ⅛
8000	Ocelot B f	$8⅛	8	8	
2288	Omega Hyd	300	281	281	
5300	Onex f	$6⅞	6⅞	6⅞	
15835	Oshawa A f	$31⅛	30⅞	31⅛	+ ⅛
170008	PWA Corp	$7⅞	7⅛	7⅛	+ ⅛
12800	Pgurin A f	$6	5⅞	5⅞	− ⅛
800	Pamour	100	100	100	
459	PanCan P	$30	30	30	
8301	Pegasus	$13⅛	13⅛	13⅛	+ ⅛
7350	PJewl A f	35	475	5	
367513	Pioneer M	10	8	8	
188894	Placer Dm	$17⅞	17⅞	17½	− ⅛
2800	Poco Pet	$7⅞	7⅛	7⅛	
81300	Powr Cor f	$16½	16⅛	16½	+ ⅛
8800	Powr Fin	$19½	19½	19½	
20100	Provigo	$10	10	10	
500	Quebcor A	$15⅛	15⅛	15⅛	+ 1⅛
22086	Ranger	$7⅞	7⅞	7⅞	
7200	Rayrock f	$8⅛	8⅛	8⅛	− ⅛
200	Rd Stenhs S	$25½	25½	25½	− ⅛
124814	Renaissnce	$15⅞	15⅞	15⅞	+ ⅛
3100	Repap f	$6⅛	6⅛	6⅛	− ⅛
3100	Rio Algom	$17½	17½	17½	+ ⅛
278302	Rogers B f	$8⅛	8	8⅛	+ ⅛
3000	Roman	247	240	240	− 7
5300	Rothman	$44	44	44	− 1
185188	Royal Bnk	$24	23⅞	23⅞	− ⅛
238480	Ry Trco	$8⅛	8⅛	8⅛	
84230	SHL Syst	400	380	385	− 8
1800	SNC A f	$13½	13⅛	13½	
51000	StL CemA f	$12	12	12	
2500	Samuel MT	$11½	11½	11½	+ ⅛
237500	Saskoil	$13	12⅞	12⅞	− ⅛
60157	Sceptre	365	345	365	+ 10
8183	Scot Paper	$16⅛	16½	16⅞	
35518	Scotts f	$14⅞	14⅞	14⅞	
3700	Scotts C	$15½	15⅛	15⅛	− ⅛
23748	Seagram	$100⅞	100⅛	100½	+ ½
140840	Sears Can	$10⅛	10⅛	10½	− ⅛
47400	ShawC B f	$10	9⅞	9⅞	
12380	Shell Can	$38⅛	38⅛	38⅛	
1670	Sherritt	$6½	6⅛	6⅛	− ⅛
300	Sico	$7½	7½	7½	− ¼
36080	Southam	$18⅞	18½	18⅝	− ⅛
3410	Spar Aero f	$10⅛	10⅛	10⅛	
22884	Stelco A	$11⅛	11	11	− ⅛
31112	Teck B f	$19⅛	19½	19⅞	+ ⅛
300	Tele Met	$8½	8½	8½	− 1
82088	ThomCor	$16⅝	16⅝	16½	
356704	Tor Dm Bk	$17	16⅞	17	+ ⅛
4300	Tor Sun	$18⅞	18⅞	18⅞	+ ⅛
3470	Torstar B f	$24½	24	24⅛	− ½
17200	Total Pet	$24⅛	23⅞	23⅞	− ⅛
188824	TrnAlta U	$12½	12⅛	12⅛	
348842	TrCan PL	$17	16⅞	16⅞	− ⅛
48330	Trilon A	$12½	12⅛	12⅛	+ ⅛
18317	Trimac	$6⅞	6⅞	6⅞	− ⅛
184250	Trizec A f	$13⅛	13⅛	13⅛	+ ⅛
100	Trizec B	$18½	18½	18½	+ ½
3600	UAP A	$15	15	15	− ½
6824	Unicorp A	85	85	85	+ 3
7300	Unigesco f	250	240	250	+ 5
800	Un Carbid	$15⅞	15⅞	15⅞	+ ⅛
1244	Un Corp	$38	38	38	− ⅛
287250	Varity C	239	235	239	+ 2
8860	Viceroy R	420	420	420	− 8
83800	Videotrn f	$11⅛	11⅛	11⅛	− ⅛
832	Weldwood	$14⅞	14⅞	14⅞	
1884	Wst Fraser	$17	17	17	− ½
73832	Wcoast E	$21⅞	21½	21½	
8506	Westmin	165	135	135	− 25
11500	Weston	$40½	40	40½	+ ⅛
18887	Woodwd A	130	125	130	+ 5

f—No voting rights or restricted voting rights.

MONTREAL
Closing prices December 18

Sales	Stock	High	Low	Close	Chng
28810	Bombrdr B	$15½	15⅛	15½	+ ⅛
200	Cambior	$10½	10½	10½	− ⅛
41731	Cascades	430	425	425	− 30
10837	DomTxtA	$8⅞	8⅛	8⅛	
10000	Donohue	$11⅛	11⅛	11⅛	
350	Memotec	$8⅛	8⅛	8⅛	
184798	NatBk Cda	$8⅛	7⅞	8⅛	+ ⅛
55718	Power Corp	$16½	16⅛	16½	+ ⅛
3651	Provigo	$10⅛	9⅞	10	
3100	Quebecr A	$15⅛	15⅛	15⅛	+ ⅛
88080	Quebecr B	$14	13⅞	14	+ ⅛
2082	Videotron	$11⅛	11⅛	11⅛	

Total Sales 5,312,938 shares.

INDICES

NEW YORK

DOW JONES	Dec. 18	Dec. 17	Dec. 14	Dec. 13	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
§Industrials	2626.73	2593.32	2593.81	2614.36	2999.75 (16/7)	2365.10 (11/10)	2999.75 (16/7/90)	41.22 (2/7/32)
Home Bonds	91.54	91.12	91.19	91.25	93.04 (3/1)	88.44 (24/9)	95.51 (9/2/87)	54.99 (1/10/81)
Transport	907.05	895.24	903.11	916.79	1212.77 (6/6)	821.93 (17/10)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	211.08	208.56	208.56	209.32	236.23 (2/1)	190.96 (24/8)	236.23 (2/1/90)	10.50 (8/4/32)

§Day's High 2639.36 (2600.74) Low 2583.17 (2563.61)

STANDARD AND POOR'S	Dec. 18	Dec. 17	Dec. 14	Dec. 13	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
Composite‡	330.05	326.02	326.82	329.34	368.95 (16/7)	295.46 (11/10)	368.95 (16/7/90)	4.40 (1/6/32)
Industrials	386.06	381.96	382.53	385.42	437.37 (16/7)	346.86 (11/10)	437.37 (16/7/90)	3.62 (21/6/32)
Financial	23.55	22.87	23.16	23.51	31.87 (3/1)	18.80 (29/10)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	180.19	178.22	178.71	180.06	201.13 (16/7)	162.20 (11/10)	201.13 (16/7/90)	4.46 (25/4/42)
Amex Mkt. Value	305.03	303.99	305.74	306.71	382.45 (5/1)	288.07 (30/10)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	370.15	366.72	368.83	371.50	469.60 (16/7)	325.44 (16/10)	485.73 (9/10/89)	54.87 (31/10/72)

	Dec. 14	Dec. 7	Nov 30	year ago (approx.)
Dow Industrial Div. Yield	3.97	3.98	4.01	3.89
	Dec. 12	Dec. 5	Nov.28	year ago (approx.)
S & P Industrial div. yield	3.31	3.31	3.42	2.92
S & P Indl. P/E ratio	15.89	15.89	15.37	14.82

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Chicorp	3,463,000	14⅛	+ ⅜
AT & T	2,771,800	31⅞	+ ⅛
Mel. Sinner	2,572,400	20⅞	+ 1⅛
Am. Express	2,225,900	21⅛	+ ⅛
Philip Morris	1,987,700	51⅞	+ ⅛
Fannie Mae	1,806,300	35⅛	+ 1½
Can. Pacific	1,679,500	17⅞	+ ⅛
Gen. Motors	1,633,000	35⅛	+ 1⅛
IBM	1,617,100	113½	+ 2
Unisys	1,558,800	2⅞	− ⅛

TRADING ACTIVITY

† Volume Millions	Dec. 18	Dec. 17	Dec. 14
New York	176.460	118.560	150.880
Amex	11.071	10.196	10.954
NASDAQ	(u)	111.866	119.503
Issues Traded	2,025	2,024	2,004
Rises	972	492	502
Falls	585	1,016	1,009
Unchanged	468	516	495
New Highs	25	5	6
New Lows	52	62	43

CANADA TORONTO

	Dec. 18	Dec. 17	Dec. 14	Dec. 13	1990 HIGH	1990 LOW
Metals & Minerals	2756.20	2758.70	2783.70	2782.90	3453.05 (4/1)	2486.60 (8/11)
Composite	3236.89	3232.97	3244.22	3252.56	4009.47 (3/1)	3009.91 (16/10)
MONTREAL Portfolio	1729.27	1723.78	1729.66	1743.01	2060.90 (3/1)	1607.24 (16/10)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Dec. 18	Dec. 17	Dec. 14	Dec. 13	1990 HIGH	1990 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1283.6	1295.7	1310.0	1319.7	1713.7 (12/1)	1283.6 (18/12)
All Mining (1/1/80)	589.2	591.0	600.2	607.5	868.8 (5/1)	589.2 (18/12)
AUSTRIA						
Credit Aktien (30/12/84)	458.76	464.06	475.54	477.77	783.29 (19/3)	408.98 (25/9)
BELGIUM						
Brussels SE (Cash Mkt) (1/1/80)	4983.45	5038.08	5082.37	5120.68	6599.43 (12/1)	4959.99 (25/9)
DENMARK						
Copenhagen SE (3/1/83)	322.20	325.12	325.08	322.90	388.29 (28/7)	321.95 (12/12)
FINLAND						
Unitas General (1975)	395.4	395.6	399.6	400.7	677.3 (23/1)	395.4 (18/12)
FRANCE						
CAC General (31/12/82)	425.35	429.28	435.34	442.88	564.62 (30/5)	410.18 (26/9)
CAC 40 (31/12/87)	1591.65	1606.23	1635.52	1659.40	2129.32 (20/4)	1485.39 (25/9)
GERMANY						
FAZ Aktien (31/12/58)	637.53	641.50	649.88	655.21	832.32 (19/7)	569.69 (28/9)
Commerzbank (1/12/53)	1807.1	1820.4	1845.5	1863.7	2414.0 (3/4)	1628.7 (28/9)
DAX (30/12/87)	1477.41	1475.87	1522.40	1517.80	1968.55 (30/3)	1334.89 (28/9)
HONG KONG						
Hang Seng Bank (31/7/64)	3066.65	3051.92	3125.69	3150.12	3559.89 (23/7)	2738.24 (1/5)
IRELAND						
ISEQ Overall (4/1/88)	1239.86	1256.99	1261.17	1259.24	1893.10 (22/1)	1193.66 (5/12)
ITALY						
Banca Comm. Ital. (1972)	534.31	535.84	550.90	547.28	763.52 (14/6)	500.67 (29/11)
JAPAN						
Nikkei (16/5/49)	24424.02	24087.91	24349.50	24642.97	38712.88 (4/1)	20221.86 (1/10)
Tokyo SE (Topix) (4/1/68)	1790.48	1778.89	1800.32	1813.98	2867.70 (4/1)	1523.43 (1/10)
2nd Section (4/1/68)	2890.11	2862.25	2885.63	2888.31	4477.16 (16/7)	2763.32 (5/12)
MALAYSIA						
KLSE Composite (4/4/86)	498.88	508.31	508.11	505.43	632.22 (1/6)	459.08 (28/9)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	230.2	229.3	230.6	230.1	271.9 (20/7)	225.6 (8/11)
CBS All Shr (End 1983)	168.7	168.1	169.0	168.6	206.3 (3/1)	165.6 (8/11)
NORWAY						
Oslo SE (2/1/83)	676.13	678.65	675.65	671.13	915.13 (2/8)	655.46 (21/11)
PHILIPPINES						
Manila Comp (2/1/85)	655.62	674.45	690.25	687.87	1160.70 (21/3)	514.80 (5/10)
SINGAPORE						
SES All-Singapore (2/4/75)	323.79	322.66	328.36	329.40	446.87 (16/7)	301.45 (11/10)
SOUTH AFRICA						
JSE Gold (28/9/78)	1111.0§	1129.0	1123.0	1141.0	2230.0 (16/1)	1111.0 (18/12)
JSE Industrial (28/9/78)	2986.0§	2989.0	2988.0	2995.0	3211.0 (6/2)	2640.0 (1/10)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	706.08	706.04	710.06	712.82	928.82 (4/1)	566.27 (17/9)
SPAIN						
Madrid SE (30/12/85)	234.52	233.99	238.23	241.20	309.74 (16/7)	209.37 (28/9)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	869.3	876.6	897.4	902.3	1329.9 (5/7)	815.6 (27/11)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	641.2	639.4	648.3	649.7	845.5 (19/7)	613.4 (20/9)
SBC General (1/4/87)	527.6	527.8	534.9	536.3	698.2 (13/7)	510.4 (26/11)
TAIWAN**						
Weighted Price (30/6/66)	3919.73	4102.74	4304.31	4372.58	12495.34 (10/2)	2560.47 (1/10)
THAILAND						
Bangkok SET (30/4/75)	619.04	621.98	649.58	644.10	1143.78 (25/7)	544.30 (30/11)
WORLD						
M.S. Capital Intl.(1/1/70) (c)	470.6*	468.5	473.4	478.3	571.0 (4/1)	423.1 (28/9)

**Saturday December 15: Taiwan Weighted Price: 4319.47 Korea Comp Ex. 705.49
§ Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Tuesday 18 December 1990

	Stocks Traded	Closing Prices	Change on day
Nippon Steel	15.3m	450	+2
M'bui Shpbldg	9.7m	595	−5
Mitsui Co	8.8m	806	+21
M'bishi Heavy	7.5m	715	+2
S'tomo Metal	7.2m	471	+6
Sanyo Elec	7.0m	646	+1
Marubeni	6.0m	712	+4
Itoman	5.8m	509	−36
Tokyo Elec Pwr	5.0m	3,780	+80
Iseki	4.1m	625	−38

JAPAN

December 18	Yen	+ or −
Ajinomoto	1,550	+40
Akebono Brake	722	+11
All Nippon Air	1,280	−20
Alps Electric	1,420	+20
Amada	1,120	−20
Amano	1,870	−70
Ando Construct	1,300	+10
Anritsu	1,750	+70
Aoki Corp.	820	−15
Arabian Oil	7,400	+10
Asahi Breweries	1,220	−10
Asahi Chemicals	747	+7
Asahi Glass	1,250	+20
Asahi Optical	595	−15
Asics Corp.	520	−2
Atsugi Nylon	934xr	−16
Banyu-Pharm	1,040	+10
Bridgestone	1,080	—
Brother Inds	620	−1
CSK Corp.	4,270	—
Calpis Food	980	−5
Calsonic Corp.	629	−1
Canon	1,330	—
Canon Sales	3,770	−30
Casio Computer	1,010	−20
Central Finance	550	−20
Central Glass	570	+5
Chiba Bank	909	+7
Chiyoda Chem	1,700	—
Chiyoda Fire	808	−12
Chubu Elect Pwr	3,000	+80
Chugai Pharm	1,120	−10
Chugoku El Power	2,570	+80
Citizen Watch	920	+19
Daicel Chemical	811	−3
Daiichi Seiyaku	2,290	+20
Daido Steel	618	+9
Daiei	1,360	−20
Daifuku	2,370	—
Dai Ichi Kan Bank	1,960	+40
Daikin Inds	1,650	+10
Daikyo Kanko	1,740	−40
Daimaru	855	—
Dai Nippon Ink	509	—
Dai Nippon Phar	1,870	−30
Dai Nippon Ptg	1,500	+10
Dai Nippon Toryo	518	+6
Daishowa Paper	3,130	−20
Dai Tokyo F&M	865	+9
Daiwa Bank	1,240	+20
Daiwa House	1,880	−20
Daiwa Sec	1,170	−10
Denny's	3,530	+10
Dowa Fire & Mar	785	−8
Dowa Mining	699	+10
Ebara	1,410	+10
Eisai	1,950	+10
Ezaki Glico	1,000	−10
Fanuc	4,500	−30
Fudo Construct	899	−21
Fuji Bank	2,310	+30
Fuji Electric	790	+5
Fuji Film	3,350	+30
Fuji Fire & Mar	950	—
Fuji Heavy Ind	503	+3
Fujikura	825	+15
Fujisawa	1,560	−30
Fuji Spinning	613	+18
Fujita Tourist	2,690	+10
Fujitsu Ltd	1,010	+11
Furukawa Elect	705	+10
Gakken	1,390	−30
Gen Sekiyu	971	−9
Godo Shusei	1,080	—
Green Cross	1,120	−40
Gun-Ei Chem	1,120	−50
Gunze	810	—
Hankyu Corp.	687	+1
Hanshin El Rail	551	−4
Haseko	845	+18
Hattori Seiko	4,500	−70
Hazama-Gumi	1,190	+30
Heiwa Real Est	1,080	—
Hino Motors	944	+20
Hirose Electric	5,040	+30
Hiroshima (Bank)	925	+15
Hitachi	1,150	+30
Hitachi Cable	970	+18
Hitachi Credit	1,330	—
Hitachi Koki	1,260	—
Hitachi Maxell	2,000	+30
Hitachi Metals	1,290	−20
Hitachi Sales	740	—
Hitachi Zosen	495	−14
Hokkaido Elect.	2,590	+40
Hokkaido Takush	780	+10
Hokuriku El Pwr	2,690	+60
Honda	1,290	+10
Honshu Paper	2,150	−80
House Food Ind	1,710	−50
Hoya	2,160	—
IHI	715	−3
Ihara Chemical	640	−27
Ikegami Tsush	1,210	—
Inax	1,170	−30
Indl Bank Japan	3,170	+20
Iseki & Co.	625	−38
Isetan	2,530	−50
Ishihara Sangyo	541	−2
Isuzu Motors	569	+14
Itoh (C)	713	+5
Itoham Foods	860	—
Itoman & Co.	509	−36
Ito Yokado	3,700	−10
Iwatsu Electric	760	+13
Izumiya	1,980	—
JGC Corp.	2,070	+10
JEOL	1,040	−40
Janome Sew Mach	2,640	—
JAL	1,130	−10
Japan Metals	800	−31
Japan Radio	2,300	+50
Japan Steel Wks	556	+1
Jap S Battery	646	−14
Japan Synth Rbr	640	−1
Japan Wool	1,580	−10
Jujo Paper	650	−2
Jusco	1,380	—
Kagome	1,380	−20
Kajima	1,640	+50
Kaken Pharm	1,370	−20
Kandenko	2,870	+30
Kanebo	595	—
Kanegafuchi Chm	720	−2
Kanematsu Corpn.	700	−30
Kansai Elect Power	3,110	+50
Kansai Paint	718	−7
Kao Corp	1,260	−40
Kawasaki Heavy	555	+5
Kawasaki Kisen	490	−7
Kawasaki Steel	430	+3
Keihin Elec Exp	905	+15
Keio Teito Elec	855	+2
Kikkoman	1,050	+31
Kinden	2,870	+30
Kinki Nippon Rl	880	—
Kirin Brewery	1,590	+20
Kobe Steel	484	−6
Koito Mfg	3,030	−10
Kokusai Electric	3,300	+150
Kokuyo	3,300	−10
Komatsu	1,020	+10
Konica	900	+5
Korakuen	3,190	+20
Koyo Seiko	899	+14
Kubota	700	−15
Kumagai-Gumi	781	−14
Kumiai Chemical	650	−5
Kurabo Inds.	990	−9
Kuraray	1,260	+10
Kureha Chemical	652	+1
Kurita Water	2,420	+40
Kurosaki Refrac	678	−7
Kyocera	5,710	+80
Kyodo Shiryo	650	+10
Kyotaru	1,780	+10
Kyowa Bank	1,050	−40
Kyowa Hakko	1,040	+20
Kyushu Electric	2,580	+50
Lion	700	−6
Long Term Cred.	1,410	—
Maeda Corp	1,840	+30
Makino Milling	1,140	+20
Makita Elect Wk	1,460	−20
Marubeni	712	+4
Marudai Food	980	+14
Marui	2,110	—
Maruichi Steel	1,650	−10
MEI	1,650	+10
Matsu Elect. Wks.	1,630xc	—
Matsushita Koto	1,680	+20
Matsushita Refrig	1,030	−40
Mazda Motors	641	−9
Meiji Milk	700	+11
Meiji Seika	720	+2
Mercian Corp	1,030	—
Mikuni Coca Cola	2,700	−80
Minebea	842	−3
Minolta Camera	665	+5
Misawa Homes	1,700	+60
M'bishi Bank	2,130	+50
M'bishi Corp	1,370	—
M'bishi Elec.	679	+11
M'bishi Estate	1,430	+30
M'bishi Gas Chem	578	−12
MHI	715	+2
M'bishi Kasei	575	+9
M'bishi Materials	595	−3
M'bishi Oil	905	+19
M'bishi Paper	655	+7
M'bishi Petchem	843	+8
M'bishi Plastics	709	+9
M'bishi Rayon	500	+8
M'bishi Steel	1,240	+60
M'bishi Tst.	1,680	+20
M'bishi Warehse.	1,510	—
M'boshi Belting	888	—
Mitsui Co.	806	+21
Mitsui Eng Shb	585	−5
Mitsui Mng & Sm	517	+22
Mitsui Osk Line	525	−7
Mitsui Petchem	810	−9
Mitsui Real Estate	1,330	+10
Mitsui Taiyo Kobe	1,790	+20
Mitsui Toatsu	520	+10
Mitsui Tst & Bkg	1,360	+40
Mitsui Warehse	1,060	+40
Mitsukoshi	1,230	+20
Mitsumi Elect	1,290	−10
Miyaji Iron Wks	650	—
Mizuno Sporting	1,610	−20
Mochida Pharm	2,650	−30
Morinaga Milk	591	−10
Mori Seiki	2,590	−10
Murata Mfg	2,200	−80
NEC	1,320	+10
NGK Insulators	1,170	+10
NGK Spark Plug	885	−16
NHK Spring	582	−13
NKK Corp.	419	+8
NOK Corp.	890	−25
NTN Toyo Brg	700	+50
Nachi Fujikoshi	745	+10
Nagasakiya	3,660	+30
Nagase	1,070	−10
Nagoya Railroad	730	+10
National House	1,180	+20
Nichii	1,420	−20
Nichirei	820	+20
Nihon Cement	1,050	+35
Nihon Nosan	563	+1
Nikon Prodn	1,040	+10
Niigata Eng	685	+8
Nikko Sec	949	+28
Nikon Corp.	1,140	+60
Nippon Cred Bank	4,750	+50
Nippon Denko	690	+16
Nippon Denso	1,700	+50
Nippon Elect Gl	1,390	+40
Nippon Express	800	+9
Nippon Fire	825	+5
Nippon Flour	634	−6
Nippon Hodo	2,740	+40
Nippon Kayaku	794	+34
Nippon Lt Metal	885	+10
Nippon Meat Pack	1,410	+40
Nippon Mining	521	+1
Nippon Oil	944	−11
Nippon Paint	698	+12
Nippon Road	1,520	−30
Nippon Sanso	695	+13
Nippon Seiko	749	+6
Nippon Sharyo	1,160	—
Nippon Sh Glass	633	−1
Nippon Shinpan	859	−1
Nippon Shinyaku	1,240	−30
Nippon Soda	730	+6
Nippon Stainless	827	+19
Nippon Steel	450	+2
Nippon Suisan	603	+5
Nippon TV	21,800	−200
Nippon Yakin	610	+11
Nippon Yusen	589	−1
Nippon Zeon	554	+4
Nishimatsu Cons	1,310	+50
Nissan Diesel	629	−26
Nissan Motor	725	−5
Nissei Sangyo	1,670	−60
Nisshin Flour	1,470	+50
Nisshin Oil	1,030	+35
Nisshinbo Inds.	1,050	−20
Nissho Iwai	640	−4
Nissin Electric	1,130	−10
Nissin Food	2,300	+40
Nitsuko	980	—
Nitto Boseki	615	+10
Nitto Denko	1,150	+30
Nomura	1,900	+30
Noritake	1,480	+50
Odakyu Elec Rly	898	+23
Ohbayashi-Gumi	1,230	+30
Oji Paper	858	−5
Oki Electric	734	+29
Okuma Mach	1,290	−10
Okumura-Gumi	1,570	+40
Olympus	1,000	—
Omron Corp.	1,840	+30
Onoda Cement	635	+10
Ono Pharm	4,500	+90
Onward Kashiyama	1,640	+10
Orient Corp	1,020	+30
Orix Corp.	3,080	—
Osaka Gas	504	+5
Penta Ocean Con	985	+23
Pioneer	3,950	+130
Prima Meat Pack	666	+26
Renown	740	+1
Ricoh	735	+1
Royal Co	1,810	−10
Ryobi	673	−12
Saitama Bank	996	+1
Sanden	724	−16
Sankyo	2,500	—
Sanrio	4,180	—
Sanwa Bank	1,910	+10
Sanwa Shutter	1,660	+30
Sanyo Elect	646	+2
Sanyo Kokusaku	564	+4
Sapporo	1,340	+20
Secom	4,690	+30
Seibu Railway	3,700	+100
Seino Transport	2,150	−80
Seiyo Food Sys	1,580	—
Seiyu	1,550	−20
Sekisui Chem	1,190	+30
Sekisui House	1,490	+10
Settsu	800	+21
Seven-Eleven	6,730	+10
Sharp	1,240	+40
Shikoku El Pwr	2,640	+40
Shimizu Corp.	1,610	+40
Shin-Etsu Chem	1,190	+30
Shionogi	1,040	—
Shiseido	2,110	−20
Shochiku	3,900	+210
Shokusan Jutaku	751	−31
Showa Aluminium	823	+4
Showa Denko	485	−9
Showa Elec Wire	714	+12
Showa Sangyo	577	−14
Showa Shell Sek	1,060	—
Skylark	2,620	+30
Snow Brand Milk	876	+21
Sony	6,060	+100
Stanley Electric	776	+6
Sumitomo B'lite	600	−6
Sumitomo Bank	1,930	—
Sumitomo Cement	617	+42
Sumitomo Chem	490	—
Sumitomo Corp	1,100	+30
Sumitomo Elect	1,360	+20
Sumitomo Heavy	589	−10
Sumitomo Light M	595	—
Sumitomo Marine	998	+10
Sumitomo Met In	471	+6
Sumitomo Met Mng	1,050	−20
Sumitomo Realty	995	−4
Sumitomo Tr & Bk	1,640	+20
Sumitomo W'hse	791	−9
Suzuki Motor	650	+10
TDK	4,310	+50
Taisei Corp	1,030	+80
Taisho Marine	1,020	+25
Taisho Pharm	2,380	+30
Taiyo Fishery	482	+16
Takaoka Elect.	985	+20
Takara Shuzo	697	−2
Takashimaya	2,260	+110
Takeda	1,720	−20
Tanabe Seiyaku	960	+20
Teijin	540	+2
Teikoku Oil	989	+8
Tekken Constr.	1,210	—
Toa	840	−10
Tobishima	955	−3
Tobu Railway	819	+9
Toei Co.	939	—
Toho	27,300	+100
Tohoku Electric	2,650	+80
Tokai Bank	1,390	—
Tokai Carbon	658	+20
Tokico	630	+6
Tokio Marine	1,360	+10
Tokuyama Soda	590	—
Tokyo (Bank)	1,040	+10
Tokyo B'casting	2,120	+30
Tokyo Electric Pwr	3,780	+80
Tokyo Electron	2,600	+40
Tokyo Gas	605	+10
Tokyo Rope	981	+1
Tokyo Steel	3,370	—
Tokyo Style	1,690	—
Tokyu Car	1,330	−30
Tokyu Corp	1,200	+20
Tokyu Land	652	−3
Tonen Corp	1,560	+60
Toppan Print	1,390	+10
Toray	620	+12
Toshiba Elect	750	+5
Toshiba Eng Con	1,600	−90
Toshiba Machinery	880	—
Tostem	1,750	−30
Tosoh Corp	570	+9
Toto	1,650	+30
Toyo Construct	760	—
Toyoda Aut Loom	2,420	+30
Toyo Ink	575	−13
Toyo Jozo	1,040	—
Toyo Kanetsu	743	+23
Toyo Seikan	4,550	+60
Toyota Motor	1,760	+20
Toyo Tire	606	−5
Tsubakimoto Chn	800	+4
Tsugami	641	−11
UBE Inds	545	+10
Uniden	485	+5
Victor (JVC)	1,570	—
Wacoal	1,010	+10
Yamaha Corp	1,680	−10
Yamaha Motor	810	+10
Yamaichi Sec	954	−1
Yamanouchi	2,880	+30
Yamatake H'ywell	1,610	—
Yamato Kogyo	1,570	—
Yamato Trans	1,180	—
Yamazaki Baking	1,510	—
Yasuda Fire	946	+6
Yaskawa Elect.	760	+24
Yokogawa Elect.	1,190	+20
Yokohama Bank	995	+5
Yokohama Rubber	546	−4
Yomiuri-Land	1,680	−80
Yoshitomi Pharm	1,490	—
Yuasa Battery	1,010	+32
Zexel Corp	700	+9

AUSTRALIA

December 18	Aust$	+ or −
AFP	1.00	+0.01
AWA	0.25	—
Aberfoyle	3.76	—
Adelaide Steams	0.20	−0.1
Amcor	3.90	−0.03
Ampol Expl	2.22	+0.02
Arnotts	5.20	−0.06
Ashton	1.25	−0.01
ANZ Group	3.44	+0.01
Aust. Gas Light	2.00	+0.05
Aust Nat Inds	1.80	−0.02
BHP	10.15	−0.1
BHP Gold	0.43	—
BTR Nylex	2.47	−0.05
Boral	3.18	−0.02
B'ville Copper	0.80	+0.03
Brambles Inds	14.50	+0.05
Bridge Oil	0.56	+0.01
Brierley Inv	0.71	−0.05
Bundaberg Sugar	3.08	—
Burns Philp	2.60	+0.02
CRA	9.70	−0.12
CSR	4.57	—
Caltex Aust.	2.25	+0.02
Coal Allied Ind	7.00	+0.04
Coca Cola Amatil	10.40	—
Coles Myer	7.96	−0.04
Comalco	3.74	−0.07
Crusader	0.75	—
Dominion Mng	0.67	—
Email	2.65	—
Energy Res	1.59	—
FAI Insurances	1.08	+0.02
Fletcher Challge	2.35	−0.05
Fosters Brewing	1.45	−0.01
Gen Prop Trust	2.58	−0.02
Goodman Fielder	1.32	−0.01
Hardie (J)	2.38	+0.08
Highlands Gold	1.03	+0.01
ICI Aust	3.12	+0.01
Jennings Group	0.94	−0.04
Jones (David)	0.40	−0.07

AUSTRALIA (continued)

December 18	Aust$	+ or −
Kidston Gold	1.49	+0.03
Lend Lease	14.55	+0.1
MIM	1.59	−0.05
Mayne Nickless	5.70	−0.04
Metal Manuf	1.84	−0.01
Minproc Hldgs	0.25	—
Nat Aust. Bank	5.56	−0.08
Newcrest Aust.	0.86	−0.02
News Corp	9.60	−0.5
N Bkn Hill Peko	1.96	−0.01
Pacific Dunlop	4.88	—
Pancont'l	1.65	+0.02
Poseidon	1.47	−0.05
Pioneer Intl.	2.09	+0.01
Placer Pacific	2.86	−0.19
Posgold	1.49	−0.01
QCT Resources	1.24	−0.01
Renison Goldfds	6.80	−0.08
Rothmans Aust.	10.30	—
SA Brewing	2.99	−0.01
Santos	4.10	−0.01
Smith (H.)	3.95	+0.05
Stockland Tst.	1.95	—
TNT	1.65	−0.03
Tyco Inv	2.70	—
Wesfarmers	2.77	−0.03
Western Mining	3.89	−0.06
Westfield Hldg	2.90	—
Westfield Tst	1.83	−0.01
Westpac	3.71	−0.03
Woodside Petrol	2.82	−0.01

HONG KONG

December 18	H.K.$	+ or −
Amoy Props.	3.65	+0.08
Bank East Asia	15.00	+0.1
Cathay Pacific	7.10	+0.1
Cheung Kong	13.00	+0.1
China Light	15.90	−0.1
China Motor	22.80	−0.1
Cross H'bour Tnl	13.90	—
Dairy Farm Intl	10.30	—
Dao Heng Hldgs	1.34	+0.01
Evergo	2.40	+0.03
Hang Lung	5.30	+0.1
Hang Seng Bank	23.00	−0.2
Harbour Centre	6.80	—
Henderson Inv.	1.88	−0.01
Henderson Land	8.35	—
HK Aircraft	14.60	+0.2
HK China	10.30	+0.2
HK Electric	10.00	−0.1
HK Land	7.25	−0.05
HK Realty & Tr A	4.27	−0.03
HK Shanghai Bank	4.85	+0.2
HK Shanghai Hotels	3.95	+0.05
HK Telecomm.	6.25	—
Hopewell Hldgs	3.10	+0.05
Hutchison Wpa.	12.10	—
Hysan Dev	1.15	—
Infast Equity P	6.80	—
Jardine Intl Mtr	2.87	—
Jardine Math	29.20	—
Jardine Strtgic	15.50	−0.2
Kowloon Motor	5.65	—
Mandarin Orient.	4.72	+0.02
New World Dev	7.95	+0.1
Realty Dev A	7.10	−0.05
SHK Props	14.90	+0.1
Shaw Bros.	3.77	+0.02
Shell Elec.Mfg	1.40	+0.02
Sime Darby	3.40	—
Sun Hung Kai Co	1.82	+0.06
Swire Pac A	15.00	+0.1
Do. B	2.62	+0.02
Tele B'cast	6.20	—
Wharf Hldgs	7.75	+0.05
Wing On Co	7.10	—
Winsor Ind	7.00	−0.05
World Intl Hldgs	4.12	+0.07

MALAYSIA

December 18	MYR	+ or −
Boustead Hldgs	2.50	—
Genting	8.10	−0.1
Hong Leong Cred	4.40	+0.02
Malayan Banking	5.80	−0.15
Malaysian Utd Ind	1.79	+0.03
Multi Purpose	1.03	−0.03
Public Bank	1.55	+0.02
Sime Darby	4.12	−0.02

SINGAPORE

December 18	S$	+ or −
Cold Storage	2.24	+0.05
DBS	9.40	—
Fraser & Neave	6.45	−0.05
Haw Par Bros	1.86	−0.02
Inchcape Bhd	3.82	−0.04
Keppel Corp.	5.45	+0.15
OCBC	8.40	−0.05
OUB	4.60	−0.04
S'pore Air Frgn	13.30	+0.1
Singapore Press	7.25	−0.05
Straits Trading	2.64	+0.16
Tat Lee Bank	3.10	—
UOB	5.80	+0.1

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AMEX COMPOSITE PRICES

4pm prices December 18

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
AT&E			515	2⅞	2¾	2⅞	− ⅛
ATT Fd	2.47e		38	83½	82½	83⅛	+ ⅛
Acton			17	4⅛	4⅛	4⅛	
AirExp		7	39	15⅞	15⅛	15⅜	+ ⅛
AlbaW		8	55	8½	8½	8½	
Alfin			98	1	15-16	1	+1-16
Allstar			325	5-16	¼	¼	−1-16
AlphaIn			80	2⅞	2⅞	2⅞	
Alza		73	1775	48⅝	47⅞	48⅝	+1½
Amdhl	.10	9	634	13⅞	13⅜	13⅜	
AMzeA	.84	46	22	17⅞	17⅛	17⅛	+ ⅛
APaf	3.50	10	3	80	80	80	
APrus x	.16	32	11	16⅛	15	16⅛	+ ⅛
ASciE			61	5⅞	5⅛	5⅛	− ⅛
AmShM	.60a	7	717	5⅛	5⅛	5⅛	
Ampal		169	10	1⅛	1⅛	1⅛	
Andal			4	1⅛	1⅛	1⅛	
Artwire		7	1	1½	1½	1½	
Astrotc			18	1⅛	1⅛	1⅛	
Atari		22	312	2	1⅞	2	+ ⅛
AtlsCM			50	⅞	11-16	⅞	
Audiotx			25	1⅛	d 1	1	− ⅛
— B-B —							
B HO	3.40e	4	240	10⅞	10⅛	10⅛	− ⅛
BAT In	.75	11	2001	11⅜	11 5-16	11⅜	+ ⅛
BSN			75	5⅛	5⅛	5⅛	+ ⅛
Banyan			240	1-16	1-16	1-16	
BaryRG			280	3⅛	3⅛	3⅛	− ⅛
Baruch			1	6⅛	6⅛	6⅛	
BayMue	.75e	26	45	13	12⅞	12⅞	− ⅛
Beard			186	3⅛	3⅛	3⅛	
BergBr	.40	14	304	27⅞	27⅛	27⅞	+ ⅛
BicCp	1.12a	10	24	19	19	19	− ⅛
BinkMf	1.20	10	82	31	30½	30½	
BioR A		15	3	17½	17½	17½	− ⅛
BlountA	.45	7	1	7⅛	7⅛	7⅛	− ⅛
BowPh	.04		600	2⅛	2⅛	2⅛	− ⅛
BowVal			1	12½	12½	12½	
Bowmr			42	⅝	½	⅝	
Bowne	.25	19	13	9½	9½	9½	
Brscn g	1.04		165	14	14	14	
— C-C —							
CMI Cp			316	1	⅞	⅞	− ⅛
CalEsp	.52t	13	369	7⅞	7½	7½	− ⅛
Calprop		10	41	4	3⅞	4	
CarnCr	.40	10	341	15⅛	15⅛	15⅛	+ ⅛
CastlA	.60	14	15	11	11	11	− ⅛
CFCda	g.01e		418	4⅛	4	4 1-16	+1-16
ChDvB x		30	1	18⅛	18⅛	18⅛	
ChDvA	x.01e	30	282	18⅛	17⅞	17⅞	− ⅛
ChpEn			180	3⅛	3⅛	3⅛	+ ⅛
ChPwr	.11	6	120	6⅛	6	6	− ⅛
ChRv	1.20a	9	2	18⅞	18⅞	18⅞	− ⅛
Chiles x			400	7⅛	7⅞	7⅞	+ ⅛
Cmptrc		25	35	1⅛	1⅛	1⅛	− ⅛
ConcdF		3	4	4	4	4	
ConcF B		3	1	4	4	4	− ⅛
Congst			405	1⅛	1⅛	1⅛	+ ⅛
vjCornin	.60e		437	⅞	13-16	13-16	
vjCntAr			3007	2⅛	2	2	
ContMtl			3	6⅛	6⅛	6⅛	
Corcm g	.10e		1044	4⅛	4	4⅛	
Cross	1.20	13	284	23⅞	23⅛	23½	− ⅛
CrnCP	.80e	11	20	23⅛	22⅞	22½	+ ⅛
CrCPB	.80e	10	54	21⅛	21½	21⅛	+ ⅛
Cubic	.46	5	23	19	18½	18½	− ⅛
Custmd		5	187	5-16	¼	¼	−1-16
CyprFd	.78e		238	4⅞	4⅛	4⅞	+ ⅛
— D-D —							
DI Ind			113	1½	1⅛	1½	+ ⅛
DWG			451	3⅛	3⅛	3⅛	− ⅛
Dalmed			164	1-16	1-16	1-16	
Dsgntrn		7	105	2	1 15-16	2	
Diodes			47	1½	⅞	1	− ⅛
Ducom		15	41	3⅞	3⅛	3⅞	− ⅛
Duplex	.76	9	16	11⅞	11⅛	11⅛	− ⅛
— E-E —							
EastnCo	.66	14	7	18⅛	18	18⅛	+ ⅛
Ecogp	2.30e	43	23	13	12⅞	12⅞	+ ⅛
EchoBy	.07		3545	7⅞	7⅞	7½	− ⅛
EcolEn	.16	13	29	16⅛	15	16⅛	+ ⅛
Edisto n			545	10	9⅝	9⅝	+ ⅛
Elsinor		5	159	5-16	¼	¼	−1-16
ENSCO		14	3030	2⅛	2⅛	2⅛	+ ⅛
EntMkt			75	1½	1⅛	1⅛	− ⅛
— F-F —							
FAusPr	1.08a		1115	9⅛	9⅛	9⅛	+ ⅛
FlaRck	.05t	168	47	7⅞	7⅛	7⅛	
Fluke	.40	8	76	13½	13⅛	13⅛	
ForstL		30	918	u50⅛	49	50⅛	+1⅛
FrdHly	.07	15	42	11⅛	10⅞	11⅛	+ ⅛
FreqEl			144	4⅛	4	4	− ⅛
FruitL		6	1198	8½	8⅛	8½	
— G-G —							
GTI		8	120	1⅞	1⅞	1⅞	
GiantFd	.60	14	335	27⅛	26⅞	27	− ⅛
GntYl g			50	4⅛	4 1-16	4 1-16	
Glatflt	1.20	12	48	40⅞	40⅛	40⅛	− ⅛
Glenmr	1.50	19	7	18⅛	18⅛	18⅛	+ ⅛
GlobNR		19	533	6⅛	6	6	− ⅛
GldFld		3	250	5-16	¼	5-16	+1-16
Grenm		3	164	3⅛	3	3	− ⅛
Greiner	.20	14	20	12⅞	12⅞	12⅞	
GCda g	.40		107	9⅞	9½	9⅞	− ⅛
— H-H —							
Hampfl	1.27t		3	5⅛	5⅛	5⅛	
Hasbro	.20	11	3917	15⅛	14⅞	15⅛	+ ⅛
HlthCh			45	½	7-16	½	+1-16
Hlthvt			382	1⅞	1⅞	1⅞	
Heico	.10	17	18	10⅛	10⅛	10⅛	+ ⅛
vjHerGn			1450	⅛	d ⅛	⅛	− ⅛
Hltvv n			780	1⅛	1⅛	1⅛	
HollyCp	.40	8	3	21½	21⅛	21½	+ ⅛
HmHar			188	2⅞	2⅞	2⅞	− ⅛
HovnEn		4	360	3	2⅞	3	+ ⅛
— I-I —							
ICH			840	3½	3⅛	3½	
ImpOil	g1.80		409	50⅛	50⅛	50⅛	+ ⅛
InstSy		4	186	1⅛	1⅛	1⅛	+ ⅛
IntlgSy			80	1⅛	1⅛	1⅛	+ ⅛
Intrmk	.08j		616	2⅛	d 1⅞	1⅞	− ⅛
IntPwr			3	⅝	d ½	½	− ⅛
IntTich			1130	⅛	⅛	⅛	
IntThr			374	7-32	3-16	3-16	−1-32
IroqBrd			18	2⅛	2⅛	2⅛	+ ⅛
— J-K —							
JanBell		18	3080	7½	7⅛	7⅛	− ⅛
Jetron			34	¾	11-16	11-16	
JimPd wl			1	6	6	6	
Kinark	.01e	8	9	4⅛	4⅛	4⅛	− ⅛
Kirby		13	187	7⅞	7⅛	7⅛	− ⅛
— L-L —							
LaBarg			3	⅞	⅞	⅞	
LdmkSv	.07j		12	3⅞	3⅞	3⅞	
Laser			411	3⅛	3	3	− ⅛
LeePhr			13	1⅛	1	1⅛	+ ⅛
Lilly un			3	⅛	⅛	⅛	+1-16
Lionel		25	305	1⅛	1	1	
Lumex	.08j	66	51	6⅛	6⅛	6⅛	
LynchC		19	10	18⅞	18⅛	18⅛	− ⅛
— M-M —							
MSR			146	2½	2⅛	2⅛	− ⅛
MagmC		2	2207	4⅞	4⅛	4⅞	− ⅛
Marlton		5	34	⅞	⅞	⅞	
MatSci			32	10⅛	9⅞	9⅞	− ⅛
Maxam		2	242	34	33⅛	33⅞	+ ⅛
Media	.44	22	352	18	17⅛	17⅞	+ ⅛
Mdcore			8	⅞	⅞	⅞	
Mem	.20j		22	5⅛	d 4⅞	4⅞	− ⅛
MichSw		400	325	4½	4	4	
MichlE	.40	21	197	18⅛	18⅛	18⅛	+ ⅛
MoogB		12	2	10½	d10½	10½	− ⅛
MoogA		7	38	8	6⅞	8	− ⅛
— N-N —							
NVR	.16j	16	820	⅛	d3-16	5-16	+1-16
Nabors		25	102	5⅛	4⅞	5	+ ⅛
NtPatnt			465	2⅞	2⅞	2⅞	
NtRty			224	2⅛	2⅛	2⅛	+ ⅛
NewLn n		17	82	8⅞	8½	8½	− ⅛
NMxAr			30	5⅞	5½	5½	− ⅛
NY Tim	.56	43	1277	19⅛	19⅛	19⅛	+ ⅛
NCdO g	.20		5	12⅞	12⅞	12⅞	− ⅛
Numac			23	5⅛	5⅛	5⅛	
— O-P-Q —							
OEA s	.50	25	490	u38½	36⅞	37⅛	+2⅛
OMI	.05e	5	150	5⅛	5	5⅛	+ ⅛
OdetA		12	30	4½	4⅞	4⅞	
Olsten	.34	12	385	12⅞	12⅛	12⅞	+ ⅛
OOkiep	1.50e	2	1	8⅛	8⅛	8⅛	
PallCp	.56	20	531	35⅛	34⅞	35⅛	+ ½
PegGld	.10e	31	956	11⅛	11⅛	11⅛	− ⅛
PerinIC	.60j	7	427	7½	7	7½	
PtHeat	1.70		58	8⅛	8½	8⅛	
PhLD	.18e	5	124	9⅞	9⅛	9⅛	− ½
PitDsm	.80a	8	3	30	29⅞	29⅞	− ⅛
Pitway n	.60	11	31	26	d25½	25½	− ½
Pitwy A	1.10	8	130	17⅞	17⅛	17⅛	− ⅛
PlyGem	.12	10	369	6	5⅞	5⅞	− ⅛
Presd A	.10		39	5⅞	5⅞	5⅞	− ⅛
PraCom			285	¼	3-16	3-16	−1-16
ProMed	.60	9	47	4⅛	4⅛	4⅛	
ProIDre			280	5⅛	5⅛	5⅛	− ⅛
— R-R —							
RSW			172	4⅛	d 4⅛	4⅛	− ⅛
Ragan	.12		5	21⅞	21⅞	21⅞	− ⅛
ReCap		9	8	12½	12⅞	12½	+ ⅛
Riedel			95	8⅛	8⅛	8⅛	+ ⅛
Rudick	.40a	9	59	21⅛	20⅞	21	+ ⅛
— S-S —							
SJW	1.88	8	19	24⅞	24½	24⅞	
Salem		4	1	5⅛	5⅛	5⅛	
Scheib	.36	118	5	13	13	13	
SbdCp	.60	7	2	121	117⅛	121	+5⅞
SoUCo s			43	13⅛	12⅞	13⅛	+ ⅛
Spelling		25	36	3⅛	3⅛	3⅛	
SterlEl	.04j	16	15	1⅞	1½	1⅞	+ ⅛
StrutW			27	5-16	¼	5-16	
Summa			1724	2⅛	1⅞	2⅛	− ⅛
Synaloy	.40	5	24	7⅞	7⅞	7⅞	− ⅛
— T-T —							
TIE			1091	⅛	3-16	⅛	+1-16
TII			197	1⅞	1⅛	1⅞	
TabPrd	.40	17	11	11⅞	11⅞	11⅞	− ⅛
TelDta	.36	44	387	32	30⅛	31⅛	+1⅞
Telesph		7	1630	2⅛	d 1⅞	1⅞	− ⅛
Thrmd		53	344	9⅛	9⅛	9⅛	+ ⅛
Thrtxs		20	86	14⅞	14⅛	14⅛	− ⅛
TotlPet	.50	15	41	20⅛	20⅛	20⅛	
TwCty		5	973	1⅛	1½	1½	
TubMex			152	6⅞	6⅛	6⅞	+ ⅛
— U-U —							
Unicorp			127	5-16	5-16	5-16	
UnValy			6	3-16	3-16	3-16	−1-16
US Cell			58	21	20⅛	20⅞	+ ⅛
UnvPat			41	5⅛	5⅛	5⅛	
— V-W —							
VtRsh			8	½	½	½	
WangB			1169	2⅞	2⅞	2⅞	− ⅛
WangC			6	4⅞	4⅛	4⅛	− ⅛
Wthfrd			409	7	6½	7	+ ⅛
WelGrd		11	10	2⅞	2⅞	2⅞	− ⅛
WAmBc	.44	8	45	18⅛	18	18⅛	+ ⅛
WDigitl		5	2456	4⅛	4⅛	4⅛	− ⅛
WRET	1.40	12	281	14⅛	14	14⅛	
Worthn		7	108	11⅞	11⅞	11⅞	
— X-Y-Z —							
Xytron			31	13⅞	13⅛	13⅛	

4pm prices December 18

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
38⅞	9⅛	AAR	.48	5.2	6	5465	9⅜	9⅛	9⅛	
9⅛	7¾	ACM n	1.01	11.		250	8⅞	8⅝	8⅞	+ ⅛
11⅞	8¼	ACMIn	1.25	12.		2170	10½	10	10⅛	+ ⅛
9¼	6½	ACM M	n1.01	13.		787	7⅛	7⅛	7⅛	
12⅛	10	ACMMM	1.50	13.		307	11⅜	11⅜	11⅜	
11½	8⅞	ACM Sc	1.26	13.		2322	10	9⅞	9⅞	+ ⅛
9⅝	7¼	ACMSp	1.01	12.		1056	8⅝	8⅜	8½	
24⅝	17	AL Lab	.16	.7	19	129	23¾	23¼	23¼	− ½
4½	1	AM Intl				2089	1¼	1⅛	1⅛	− ⅛
18⅞	4⅜	AM In pf	2	28.		25	7	6¾	7	+ ¼
70¼	39¾	AMR			15	2807	49⅞	48⅞	49½	+ ⅞
28½	25	ANR pf	2.87	10.		37	25⅞	25⅞	25⅞	+ ¼
4	1⅜	ARX				62	1⅝	1½	1⅝	+ ⅛
72⅛	38¼	ASA	3	7.4		376	41⅛	40½	40⅝	− ½
3½	2	ATTC wi				100	2⅛	2⅛	2⅛	
48⅞	31¼	AbtLab	s.84	1.9	21	4454	44⅞	44¼	44⅞	+ ½
14	10¾	AbiBbl g	.30			103	11	11	11	
11⅝	4⅝	AcmeC	.40	8.2	11	65	4⅞	4¾	4⅞	
9⅝	5	AcmeE	.32	5.8	9	7	5½	5½	5½	− ⅛
32⅛	18⅞	Acuson s			21	1195	26¼	25⅞	26¼	+ ¼
18⅞	14⅛	AdaEx	1.73e	12.		160	14⅞	14⅝	14⅞	+ ⅛
15⅞	9½	Adobe				161	9⅝	9½	9½	− ⅛
20¼	16	Adob pf	1.84	11.		26	16⅝	16½	16⅝	
11⅞	3⅝	AMD				3201	5	4⅞	5	+ ⅛
32⅛	13	AMD pf	3	19.		552	16⅛	15⅞	16⅛	+ ¼
6¼	1⅝	Advest	.16	6.7		659	2½	2¼	2⅜	
58⅞	29	AetnLf	2.76	7.1	9	3783	38⅞	38⅜	38⅞	+ ⅛
12¼	6¼	AMPb	.24	3.1		1688	7⅝	7⅝	7⅝	− ¼
22½	10⅝	Ahmans	.88	6.8	5	4391	13	12⅝	13	+ ⅛
3⅝	1⅞	Aileen			9	38	3⅜	3¼	3⅜	
61	42⅞	AirPrd	1.44	2.7	13	1100	53½	53	53½	+ ¼
27	13½	AirFrt s	.30	1.7	9	318	18⅛	17¾	18	+ ⅛
23½	11¼	Airgas			16	42	12⅝	12½	12⅝	
20¼	13¾	Airlease	2.52	17.	7	11	14⅝	14½	14½	− ⅛
23⅝	21	AlaP pf	2.13e	10.		10	21¼	21	21	− ½
10⅛	9	AlaP dp	l.87	9.2		24	9⅝	9½	9½	
97¼	90	AlaP pf	9	9.3		z350	96½	95½	96½	+ 2⅞
101¾	94⅛	AlaP pf	9.44	9.5		z100	99½	99⅛	99½	+ 1¼
29	13⅞	AlskAir	.20	1.2	9	640	17	16⅝	16⅝	− ¼
19⅛	8	Albnyln	.35	3.4	13	106	10¼	10	10¼	+ ¼
31	19¼	Alberto	s.20	.7	23	85	30⅛	30	30⅛	− ⅛
22¼	15⅜	AlCulA	s .20	1.0	15	76	19⅞	19⅛	19⅞	+ ⅛
27½	21	Premr s	.44	1.8	19	104	24½	24¼	24¼	
21⅛	17¾	Pride n	2.80	14.		185	19⅛	18⅞	19	+ ⅛
9½	6⅝	Primark				46	6⅝	6⅝	6⅝	
24¾	6-16	vjPrmeM	.05j			728	9-16	½	½	
11⅞	2	PrmMal	1.00		8	115	2⅜	2¼	2⅜	
37¼	16⅞	Primca	.40	1.7	7	2455	23⅞	22⅞	23¼	+ 1⅛
91⅛	61⅞	ProctG	2	2.3	18	3993	87¼	85½	86⅞	+ 1⅝
56⅞	32⅞	ProgCp	.44	.9	14	151	50¼	49⅞	50¼	
28¼	12¼	Proler	.52	4.1		29	12⅞	12⅝	12⅝	− ¼
32	6⅞	Proms n				425	16⅞	16¼	16¼	+ ⅛
9⅝	6½	PrTAm	.84	12.	25	28	7	7	7	+ ¼
6⅛	2	ProsSt	.36	14.		x280	2⅝	2½	2½	− ⅛
8½	7	Prubs	.84	10.		1082	8¼	8⅛	8⅛	− ⅛
15-16	1-16	PruRtG				133	9-64	7-64	7-64	
6⅛	3⅛	PruRl	.54e	16.		120	3⅜	3¼	3⅜	+ ⅛
25¼	20	PSvCol	2	8.7	9	589	23	22¾	22⅞	
24	21⅛	PSCol pf	2.10	9.3		11	22½	22⅛	22½	+ ⅛
4	1⅛	vjPSNH				685	2⅛	2⅛	2⅛	
23⅛	17¾	vjPSNH pf				2450	20	20	20	
23¼	18½	vjPNH pfD				1	20½	20½	20½	− ¼
23¼	17⅞	vjPNH pfE				4	20½	20½	20½	
23¼	19	vjPNH pfG				6	21	21	21	
15½	8	PSvNM			14	9480	8⅝	8½	8⅜	− ⅛
28¼	22½	PSEG	2.12	7.9	11	2293	26⅞	26¼	26¾	+ ⅛
90	81	PSEG pf	7.80	9.0		z140	86½	86½	86½	+ 1
2½	1	Publick				40	1⅛	1	1⅛	+ ⅛
51⅞	39⅜	PR Cem	.80a	2.0	6	19	40¼	40	40¼	+ ¼
22½	16⅝	PugetP	1.76	8.5	11	442	20⅝	20⅜	20⅝	
11¼	8½	PDPI	1.23a	12.		350	9⅞	9⅝	9⅞	+ ¼
12½	8¼	PDIF	1.31	14.		283	9½	9¼	9¼	− ¼
7⅛	4⅞	PHICB	.35a	15.		446	3⅝	3⅜	3½	+ ⅛
9⅞	8⅛	PHYM	.81	9.6		733	8⅛	8⅛	8⅛	

Continued on Page 41

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
9½	7⅛	PIGIT	.96	11.		2510	9	8⅞	9	
11⅜	10¼	PIGM	.89	8.0		251	11⅛	11	11⅛	
9⅞	8½	PMMI	.75	8.4		1129	9	8⅞	9	+⅛
8⅝	6	PMIIT	.87	13.		3516	6¾	6⅝	6¾	+⅛
8¼	6¼	PMIT	.93	13.		2475	7¼	7⅛	7¼	+⅛
8½	6	PPrIT	.90	13.		4535	7⅛	7	7⅛	+⅛
21⅛	8½	QMS			11	701	14⅜	13⅝	14	+¾
13-16	5-64	Qntel				254	11-32	9-32	9-32	
59½	41⅛	QuakrO	1.56	3.0	19	333	51⅜	50¾	51¼	+⅜
14⅝	7⅞	QuakSC	.80	7.3	17	516	11½	11	11	−½
15⅝	9⅞	Quanex	.48	3.8	6	128	12⅝	12⅜	12½	−⅛
30½	19⅞	Quant pf2.25		10.		24	23⅛	22¼	22¼	−1¼
31	8⅞	Quantm	.44t	3.0	13	663	14⅞	14⅝	14⅝	
14	11⅞	QstVl	1.20a	9.3		310	12⅞	12¾	12⅞	
14⅝	10⅛	QstVC				195	11⅞	11½	11⅞	+⅛
39¼	32⅜	Questar	1.96	5.4	14	246	35½	35⅛	35½	
16½	9⅛	QkReily	.28e	2.9	8	612	9⅝	9⅜	9⅝	+⅛
		— R—R—R —								
11½	10⅝	RAC In	1.26	12.		454	10⅞	10½	10⅞	−⅛
5⅞	2	RAC	.65e	12.	6	173	5¼	5	5¼	+⅛
22	17¼	RJR pf				7082	21⅛	20⅞	21⅛	+⅛
7⅞	3¼	RJR Nb wt				2758	5	4⅞	4⅞	
14⅝	8¼	RLI Cp	.44	3.2	6	30	13¾	13⅝	13⅝	+⅛
13	3⅜	RMI Ti	.10	2.1		275	5	4⅝	4⅝	−⅛
17⅞	5⅝	RDC Fd	.22e	3.1		757	7⅛	7⅛	7⅛	−⅛
9⅝	5⅜	RPC			16	95	8⅝	8⅜	8½	+⅛
6¼	4½	RPS	.82e	15.	6	239	5½	5¼	5⅜	+⅛
41⅛	30	RTZ n	1.68e	4.7	9	37	35⅝	34⅞	35⅜	+⅛
57⅜	42⅞	Racal	.60e	1.2	25	1361	51⅜	50½	51¼	+1⅛
106⅝	77¾	RalsPur	1.85	1.8	16	1584	102¼	100⅛	101⅝	+1¼
8⅜	5⅝	RangrO	.05e	.9	18	3501	5⅝	5½	5½	−⅛
36½	15¾	Raycm	.32	1.5		3526	22	20⅞	22	+1⅛
22⅝	14⅝	RJamF	.32	1.9	6	127	17⅛	17	17	+¼
26½	16¾	Rayonr	3.60	19.	5	51	19⅜	18¾	19⅜	−⅛
2⅞	1⅛	vjRaytc			1	15	1⅛	1⅛	1⅛	
71¼	57⅝	Raythn	2.40	3.6	8	1785	68⅝	67⅜	68	
35	21	RdrDg n	.40	2.1	18	2344	u28¾	27½	28¼	+⅝
3⅞	1⅛	RlgSte				550	2⅛	2	2	−⅛
16¾	11⅝	REIT	1.42	11.	9	49	12⅜	12	12⅜	+⅜
15	12⅛	RltSel	1.72	14.	7	1	12⅜	12⅜	12⅜	−⅛
7½	4⅞	RecnEq				116	5⅜	5⅛	5⅜	−⅛
29	8⅞	Reebok	.30	2.4	9	2401	12⅞	12⅝	12⅞	
10¾	1⅞	Reece	.05j			32	2⅝	2⅝	2⅝	−⅛
45½	42½	Xerox pf4.13		9.7		18	42⅝	42⅛	42⅝	+⅛
25⅝	18	XTRA	.72	4.9		382	15	14⅝	14⅝	+⅛
25	12½	XTRA pf1.94		13.		51	15⅜	15⅛	14⅞	+⅛
3⅜	5-16	Zapata				341	7-16	⅜	13-32	
6½	3	Zemex				17	3⅝	3⅝	3⅝	−⅛
15⅝	4	ZenithE				2280	8⅜	7⅝	8	+⅝
13⅝	9⅞	ZenNtl	1	7.5	8	232	13⅜	12½	13⅜	+⅜
7⅞	4⅝	Zenix	.93	21.		242	4⅝	4⅝	4½	−⅛
17½	9⅞	Zero	.40	3.7	11	530	10⅞	10⅝	10⅝	
51⅞	28⅝	Zurich	.88	2.6	15	572	35	33½	34	−⅛
12⅝	10⅞	Zweig	1.18e	11.		592	11⅛	11	11⅛	
10	7⅞	ZweigTl	.84	9.6		2158	8⅞	8⅝	8⅝	+⅛

Sales figures are unofficial.Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months.g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months,plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

NASDAQ NATIONAL MARKET

3pm prices December 18

Stock	Div.	P/E	Sales 100s	High	Low	Last	Chng
A&W Bd		24	101	31¼	30¾	31⅛	−⅛
ADC		14	259	24¼	23½	23¾	−⅛
ADT	1	9	1593	22	21¾	21¾	−¼
AST		9	11462	u31½	28	30⅝	+4⅛
Aclaim		4	1745	3⅞	d 3⅛	3⅛	−⅝
AcmeSt		14	18	13¼	13	13¼	+⅛
Acxiom		12	350	12½	12	12⅝	+⅛
Adapt		6	1138	9⅞	9⅞	9⅞	+¼
AdIngt s		8	805	11⅞	11	11	−¼
AdiaSv	.16	13	21	20½	20½	20½	
AdobeS	.24	18	2218	28⅞	27½	27½	−⅛
AdvCir s		4	88	5⅛	4⅞	5	+⅛
AdvLog		7	187	9	8⅛	9	+⅛
AdvPoly			379	3⅝	2⅝	2⅞	−⅛
AdvTel		12	1329	17½	17	17¼	+⅛
Advanta	.12	8	18	10⅝	10	10⅝	−⅛

FINANCIAL TIMES
Wednesday December 19 1990

AMERICA

Discount rate cut sharply boosts Dow in afternoon

Wall Street

STOCKS ON Wall Street were given a sharp boost yesterday afternoon by the news that the Federal Reserve is cutting the discount rate from 7 per cent to 6.5 per cent with effect from today. This is the first change in the rate since February 1989, when it was raised from 6.5 per cent to the 7 per cent level.

The Dow Jones Industrial Average was showing a gain of 33.41 by the close at 2,626.73, almost double the rise which it had already notched up during the morning session. One dealer described the market as "just exploding" on the announcement.

Volume on the New York Stock Exchange rose to a chunky 176.5m shares, compared with the previous day's 118.6m, while advances on the big board outscored falls by 971 to 581.

The market had already started the trading session on a good footing. Having seen an unpleasantly high November producer price index last Friday, inflation worries were soothed when the consumer price index for the same month fell exactly in line with the pundits' expectations and prompted renewed hopes of an easing in interest rates. Sentiment remained largely unruffled by more disappointing trade data.

The interest rate news came as the market was digesting a series of announcements from the US commercial banks. There was some relief when Manufacturers Hanover declared its regular dividend, in spite of speculation that a reduction in the payout might be on the cards in line with Chemical Bank and Chase Manhattan. Manny Hanny shares ended $1⅞ higher at $20⅞, one of the most actively traded stocks.

However, the focus quickly shifted to the anouncement by Citicorp that it would cut its dividend by 44 per cent, trim staff by 8,000 and declare a fourth quarter loss of up to $400m.

Signs that the bank was finally confronting its problems pushed Citicorp's shares ⅞ higher to $14⅞.

Bankers Trust, meanwhile, said it was increasing its dividend by 9 per cent and was rewarded by a $2⅞ rise in its share price to $44⅞.

Among the active stocks was Edison Brothers Stores, which lost ⅛ at 24⅞. Traders suggested that most of the activity was related to a quarterly dividend payment due on December 20.

Among airline issues, American Airlines recovered ⅞ to $49½, having fallen in the previous session on news that it would be issuing new stock next year following its $445m agreement to purchase certain routes into London from TransWorld Airlines. Pan Am, which has yet to respond to a takeover proposal from Mr Carl Icahn's TWA containing $1.50 of cash as well as additional preferred stock, shed ⅛ to $1⅞.

A statement from NCR, which is facing a $6.1bn hostile takeover bid from AT&T, to the effect that it was not for sale to anyone – the first time it has indicated that a "white knight" was being ruled out – left NCR's shares down $⅞ at $87¼. This is just slightly shy of the $90 a share offer from the predator.

Canada

TORONTO closed mixed in spite of the surprise cut in the US discount rate in late trade and subsequent rally on Wall Street.

The composite index edged up 3.9 to 3,236.9 but declines led advances by 338 to 275 after volume of 25.2m shares (27.8m).

Grecian tumult ends in subdued optimism

The roller-coaster ride in the Athens equity market this year is detailed by Kerin Hope

OFFICE SPACE is at a premium in the labyrinth of arcades surrounding the Athens Stock Exchange. Expanding Greek brokerages compete for space with increasing numbers of new arrivals, among them mutual fund managers, research analysts and investment companies.

A tumultuous year on the bourse, which saw the Athens general index surge by more than 300 per cent and then lose more than half of its gain, is ending on a note of subdued optimism. Fears of a Gulf war persist, but local analysts are cheered by the conservative government's decision to launch a three-year economic stabilisation programme in the new year.

Investors recall how a previous austerity package in 1986-87 brought a wage freeze which helped boost private sector profits to record levels. Earnings prospects already look bright for most banks and leasing, construction and food processing concerns.

The capital markets committee, the main regulating body, is flooded with applications from new securities houses seeking a seat on the exchange. Six new brokerages joined earlier in the year, another five were given the go-ahead this month and 15 other requests are pending.

Mr Nikitas Niarchos, the bourse president, says: "By spring we shall have increased the number of stockbrokers on the floor from 30 to 50 in one year. Computerised trading must be introduced within 1991 in order to maintain investor confidence."

The open outcry system currently in use came under severe pressure this year as daily trading volume soared from less than Dr1bn ($8m) last January to more than Dr5bn in the heady days of June and July. On a busy day brokers were unable to execute more than 25 per cent of orders.

Settlements were delayed for weeks, until the Exchange's new central share depository called in a computer service bureau to help out.

The stock market's rise was triggered by expectations that the conservative New Democracy party would at last win a majority at the April poll. The market shot up 7 per cent the day after the party scraped through with a narrow victory. After starting the year at 460, the index had reached 900 by the end of April.

Small investors, many from the countryside, leapt on the bandwagon in what one broker called "a frenzy of speculation". Three new mutual funds, sold through the provincial bank and insurance networks, scooped up large amounts in farmers' savings and untaxed income from a black economy currently estimated at 35 per cent of gross domestic product.

The index peaked at 1,684 in July, before a gentle summer correction gathered pace in September. The Gulf crisis had undermined confidence even before Athens lost its bid to stage the 1996 Olympic Games, sending the index plunging to below 1,000. "Gulf worry and the psychological blow of losing the Olympics set a volatile trend that is still going on," says Mr George Pervanas, a broker.

On Monday the market dropped by 10 per cent at the opening but finished the session only 4.6 per cent down at 971.19. The fall was blamed on end-of-year profit-taking. It came after a two-week rise triggered by the government's decision to tax interest on bank deposits, which brought a new wave of savings into the market. Yesterday the market stabilised with the index closing up 0.23 at 971.42; turnover has fallen to a daily average of Dr2bn from Dr5bn to Dr6bn seen in the spring.

The bourse's uncertain mood has caused half a dozen Greek companies to postpone plans for launching equity issues in 1990. Twenty-five companies sought listings between January and September, more than the total for the previous 10 years. Most issues were heavily oversubscribed.

New equity issues and increases of capital by companies among the 120 already listed has brought more than Dr100bn into the market this year, "a substantial deepening of liquidity", according to Mr Niarchos. Total capitalisation was expected to end the year at about $15bn, up from the $6.8bn of last January.

Mr Panagis Vourloumis of Alpha Finance, the investment arm of a private Greek bank, says: "The foreign institutional investors have reduced their holdings, but the market has stayed resilient. This is a healthy sign for the future."

The parallel market for smaller companies has proved slow to develop, with only five listings since its establishment last February. New legislation, however, lifting the capitalisation requirement from Dr170m to Dr500m for new entrants to the big board should stimulate more interest in the parallel market.

● This article begins a short series on some of the most remarkable markets of 1990.

ASIA PACIFIC

Money supply figures lift Nikkei in modest trading

Tokyo

THE Nikkei average moved up yesterday on news of a slowing of money supply growth, although market activity was only modest, *writes Emiko Terazono in Tokyo.*

The 225-share Nikkei, which opened at the day's low of 24,093.88, closed at the high of 24,424.02, up 336.11, after an afternoon rally triggered by renewed hopes of lower interest rates. First market volume totalled 350m shares, after Monday's meagre 250m, but declines led rises by 474 to 468, with 169 issues unchanged.

The Topix index of all first section stocks rose 11.59 to 1,790.48, although in London the ISE/Nikkei 50 index eased 3.26 to 1,363.04.

The November money supply grew 10 per cent from the previous year, 1.8 per cent slower than in October. "The market had expected November money supply growth to be around 11 per cent," said Ms Caroline Stone at Barclays de Zoete Wedd. The bond market also responded, in turn triggering demand for interest rate-sensitive stocks.

Buying spread to other large-capital issues, such as shipbuilders and heavy industries. Exporters rose on the weaker yen, while construction shares were favoured as laggards.

Nippon Telegraph and Telephone climbed Y10,000 to Y1.05m, buoyed by the Ministry of Finance's announcement the previous day that it will sell only 2.5m shares over the next five years, instead of the originally planned 5m.

Itoman, the trading company with heavy debt from its land investments, dropped Y36 to Y509 on rumours that its loans were continuing to rise.

The Nagoya Stock Exchange suspended trading in four issues following reports that a main shareholder in the companies had filed for bankruptcy. Speculative stocks were heavily sold: Iseki, an agricultural machinery maker, weakened Y38 to Y623 and Honshu Paper Y80 to Y2,150.

Snow Brand Milk Products advanced Y21 to Y876 on expectations of robust sales of dairy produce gifts in the Japanese year-end festivities.

In Osaka, the OSE average receded 162.92 to 26,295.57 on volume of 54.9m shares.

Roundup

PACIFIC Rim markets were mostly lower yesterday.

HONG KONG gave a muted reaction to Monday's news of the forthcoming exodus of Hongkong and Shanghai Banking. Turnover declined to HK$681m from HK$694m and the Hang Seng index improved 14.73 to 3,066.65.

SINGAPORE was mixed in thin volume. Turnover dipped to S$51m from S$55m. The Straits Times Industrial index edged up 2.82 to 1,174.40.

KUALA LUMPUR saw continued firmness in plantation shares, but the composite index eased 2.23 to 498.08 in turnover of 46m shares (51m).

TAIWAN extended Monday's losses. Volume contracted to T$33.8bn from T$38.4bn. The weighted index fell 4.5 per cent, or 183.01, to 3,919.73.

MANILA sagged as investors sold, sensing that the euphoria over the discovery of oil in the southern Philippines was fading fast. The composite index slipped 18.83 to 655.62 in turnover of 139m pesos (135m).

NEW ZEALAND paused after its recent decline to six-year lows, and before today's economic statement from the government. Turnover was dominated by trade in the market's big three stocks and expanded to NZ$12m from NZ$11m. The Barclays index shed 2.15 to 1,173.34.

BOMBAY fell sharply after the government raised excise and import duties. The BSE index lost 76.81 to 1,111.73.

EUROPE

Bourses close little changed as holiday nears

BOURSES WERE little changed yesterday, with most ending steady or slightly weaker in the run-up to Christmas, *writes Our Markets Staff.*

PARIS slipped in moderate trading on the last day of the monthly account, with the CAC 40 index ending 14.58 lower at 1,591.65 – the first time the index has closed below 1,600 for a month.

Sanofi, the pharmaceutical concern, fell another FFr36 to FFr780 for a two-day fall of 9 per cent, on continued worries about prospects for its Ticlid anti-stroke drug, which received a recommendation for only limited use in the US.

Among the day's most active stocks, Générale des Eaux fell FFr17 to FFr2,254 with 172,870 shares traded, Pechiney International lost FFr7.90 or 5.8 per cent to FFr129 on 142,690 shares, after a broker downgraded its profits forecast for the company in 1991.

FRANKFURT traded sideways in thin volume, in low spirits after Monday's drop of more than 3 per cent. After a 3.97 fall to 637.53 in the FAZ index at midsession, the DAX recovered to close 1.54 higher at 1,477.31.

Volume dropped again, from DM4.6bn to DM3.3bn. Ms Barbara Altmann of B Metzler in Frankfurt said that many brokers, dealers and investors had decided to close for the year after Monday's drop. "There were some good buying orders for chemicals," she said, "but these were priced within strict limits."

The best rise in the big three chemicals, accordingly, was DM1.50 to DM224 at Hoechst. One of the best rises of the day was in the department stores group, Karstadt, up DM8.80 at DM612 in a weak retail sector.

Metzler likes Karstadt on fundamental grounds, expecting a good earnings rise this year following the introduction of a central distribution system; but Ms Altmann also said that the stock had seen a sizeable decline recently and that yesterday's rise might simply have reflected the conclusion of selling orders.

MILAN ended slightly lower in light trading in spite of a late turnround. The Comit index fell 1.53 to 534.31.

The telecommunications sector was expected to be in focus today following news after the market closed that Sip could raise telephone rental charges for the first time in five years and also increase call charges.

Ms Melinda Diamond of Baring Securities said the overall increase in Sip's revenues would be 3.5 per cent, at the lower end of market expectations. The real beneficiaries, however, would be the telecommunication suppliers because the extra revenue would ensure that Sip could continue its investment plans, worth L9.5 trillion in 1991, she noted.

Enimont rose L5 to L1,555, cheered by the terms of the bonds that ENI, the state holding company, plans to exchange for the 850m Enimont shares outstanding. Under the deal, Enimont shares are valued at L1,650.

Standa, the retail chain controlled by Mr Silvio Berlusconi, eased L250 to L27,800, after the company denied that it would be sold to SME, the state-controlled food group.

STOCKHOLM eased in fairly active turnover of SKr273m. The Affärsvärlden General index fell 7.3 to 869.3.

Astra bucked the trend in the wake of an analysts' meeting during which it emerged that Losec, its anti-ulcer drug, was close to gaining approval in Japan. The free B shares rose SKr6 to SKr494.

AMSTERDAM was mixed, the CBS Tendency index rising 0.1 to 95.8. Royal Dutch was the most actively traded stock and gained Fl 1.40 to Fl 130.20.

Elsevier, the publishing group, eased 90 cents to Fl 73.90. In a report, James Capel expressed concern that fluctuations in the dollar and a disappointing underlying rate of growth might weaken the shares in the short run.

MADRID edged higher, with the general index adding 0.53 to 234.52. Banco Hispano Americano rose Pta30 to Pta2,695 after a block of 2.75m shares, or 3.3 per cent of the bank's capital, was traded at Pta2,180 a share.

There was another block trade in Ebro, the food group which is merging with Industrias Agricolas. Its share price gained Pta85 to Pta2,350 after 425,000 shares were exchanged at Pta2,265 a share. Also active was Sarrio, the paper company, which added Pta13 to Pta636 after 1.6m shares were traded, including several blocks.

COPENHAGEN fell in light trade on fears that the new centre-right minority government would not last long. Novo-Nordisk was the most active share, falling DKr9 to DKr355. OSLO slipped in busy trading worth NKr547m, boosted by tax transactions.

SOUTH AFRICA

GOLD shares eased on weaker bullion prices and ahead of President F.W. de Klerk's address to the nation. The JSE all-gold index fell 13 to 1,111 while the overall index was 15 lower at 2,669. Vaal Reefs dropped R5.50 to R180.

Adsteam drops 33% on concern over restructuring

By Tim Blue in Sydney

SHARES IN Adelaide Steamship, the trading and investment group, sank 40 per cent to a low of 18 cents in active trading on the Australian Stock Exchange, before closing down 10 cents, or 33 per cent, at 20 cents. Trading volume in the stock totalled 2.2m shares, making Adsteam the fifth most heavily traded issue of the day.

Brokers said the fall was linked to continued concern over the company's plans for debt refinancing and corporate restructuring. They added that the shares may also have been put under pressure by a report from Prudential Bache Securities (Australia) advising small shareholders in the five listed members of the Adsteam group to "seek a safer refuge for their investment funds".

Among Adsteam's main associates, David Jones lost 7 cents to 40 cents, compared with a 1990 high of A$12.40, Tooth and Co fell 20 cents to 65 cents, Petersville Sleigh dipped 7 cents to 93 cents and National Consolidated shed 7 cents to 30 cents. Prudential Bache said in its December Quantum report: "These companies are in the process of rationalisation and little credence can be given to the financial numbers of any of the individuals of the group."

Adsteam shares have slumped from a high in January of A$6.60 on worries about the group's complexity and its ability to service debt levels estimated to be at least A$4.5bn (US$3.4bn).

Further pressure came from a newspaper report that Adsteam would have to repay A$2.2bn of debt in the next two weeks if bankers did not agree to the rescheduling. Adsteam executives could not be reached for comment.

Meanwhile, the rest of the stock market continued to decline, with the All Ordinaries index losing 12.1 to a 33-month low of 1,283.6. Turnover came to A$193m, up from A$142m. News Corporation fell 50 cents to A$5.60.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY DECEMBER 18 1990								MONDAY DECEMBER 17 1990					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1990 High	1990 Low	Year ago (approx)
Australia (75)	118.35	−0.3	90.68	99.68	91.31	102.99	−0.7	7.78	118.76	91.37	100.03	91.82	103.12	158.31	118.35	148.66
Austria (19)	205.44	−0.7	157.41	173.05	158.51	158.30	−1.0	1.73	206.81	159.11	174.20	159.88	159.85	285.63	178.57	165.00
Belgium (60)	134.49	−1.0	103.05	113.27	103.78	101.99	−1.0	5.63	135.91	104.57	114.47	105.07	103.06	160.02	126.67	148.64
Canada (120)	129.38	+0.1	99.13	108.97	99.81	106.44	+0.1	3.70	129.24	99.44	106.85	99.91	108.33	153.61	121.24	149.61
Denmark (33)	241.22	−1.9	184.82	203.18	186.11	188.24	−1.8	1.60	245.84	189.14	207.07	190.05	191.67	277.62	234.05	234.18
Finland (25)	101.76	−0.4	77.97	85.71	78.51	76.70	−0.6	3.96	102.13	78.58	86.03	78.96	77.15	152.29	98.91	130.32
France (122)	137.04	−0.2	105.00	115.42	105.72	108.66	−0.9	3.83	137.33	105.68	115.67	106.16	109.85	168.85	124.96	147.41
Germany (91)	119.26	−0.5	91.39	100.48	92.02	92.02	−0.7	2.47	119.92	92.27	101.02	92.71	92.71	144.63	101.38	111.66
Hong Kong (48)	123.53	+0.6	94.65	104.04	95.31	123.73	+0.5	5.41	122.81	94.49	103.44	94.95	123.07	147.49	112.24	119.88
Ireland (16)	155.20	−1.7	118.91	130.72	119.74	122.03	−1.8	4.25	157.81	121.41	132.92	122.00	124.29	198.57	139.04	174.33
Italy (91)	81.97	−0.2	62.80	69.04	63.24	68.64	−0.3	3.58	82.10	63.17	69.15	63.47	68.86	109.26	75.73	95.38
Japan (453)	130.61	+0.8	100.07	110.01	100.78	110.01	+0.8	0.78	129.51	99.64	109.09	100.14	109.09	197.26	106.58	195.77
Malaysia (35)	202.37	−0.7	155.06	170.45	156.13	210.52	−0.6	3.21	203.87	156.86	171.72	157.61	211.88	280.89	182.96	221.16
Mexico (12)	589.12	−0.6	451.38	496.21	454.52	1896.59	−0.7	0.36	592.83	456.11	499.34	458.31	1910.81	613.96	324.53	309.42
Netherland (41)	135.29	+0.5	103.66	113.95	104.38	103.33	+0.3	5.20	134.64	103.59	113.40	104.09	103.02	149.03	127.59	137.20
New Zealand (15)	42.62	−0.9	32.65	35.90	32.88	38.47	−0.3	8.89	43.01	33.09	36.23	33.25	38.57	75.36	42.62	71.09
Norway (27)	212.72	−0.4	162.99	179.18	164.13	168.40	−0.3	1.84	213.55	164.30	179.88	165.10	169.99	276.79	202.94	191.94
Singapore (25)	160.84	+0.4	123.24	135.46	124.09	127.60	+0.8	3.46	160.19	123.25	134.93	123.84	126.60	209.24	147.24	174.63
South Africa (60)	178.79	+0.1	136.99	150.59	137.94	133.62	−0.4	4.09	178.69	137.48	150.51	138.14	134.22	251.39	151.50	189.26
Spain (41)	147.43	+0.1	112.96	124.18	113.74	108.16	+0.1	5.25	147.28	113.31	124.06	113.86	108.05	182.25	128.54	161.57
Sweden (27)	161.68	−0.7	123.88	136.19	124.75	134.04	−0.7	3.03	162.77	125.23	137.10	125.84	135.00	234.93	153.11	182.48
Switzerland (68)	90.21	+0.7	69.12	75.99	69.61	71.08	+0.3	2.96	89.59	68.93	75.46	69.27	70.84	109.77	86.00	90.74
United Kingdom (298)	167.19	+0.8	128.10	140.81	128.98	128.10	+0.2	5.46	166.24	127.90	140.01	128.51	127.90	176.18	139.87	152.54
USA (533)	133.28	+1.3	102.12	112.27	102.83	133.28	+1.3	3.72	131.63	101.27	110.88	101.77	131.63	148.95	119.06	138.66
Europe (959)	138.18	+0.1	105.88	116.39	106.62	106.70	−0.2	4.36	138.04	106.20	116.27	106.72	106.95	157.65	124.91	135.33
Nordic (112)	172.13	−1.1	131.89	144.99	132.81	132.84	−1.1	2.29	174.12	133.96	146.66	134.61	134.35	223.29	170.59	179.88
Pacific Basin (651)	129.54	+0.8	99.26	109.12	99.95	109.84	+0.8	1.18	128.53	98.89	108.27	99.37	108.99	192.75	107.82	191.02
Euro−Pacific (1610)	133.42	+0.5	102.22	112.37	102.93	109.30	+0.3	2.52	132.76	102.14	111.81	102.63	108.92	174.18	116.03	168.88
North America (653)	132.95	+1.2	101.87	112.00	102.59	131.64	+1.2	3.72	131.40	101.09	110.69	101.60	130.10	148.43	119.26	139.21
Europe Ex. UK (661)	120.24	−0.2	92.13	101.30	92.79	94.09	−0.5	3.55	120.53	92.73	101.54	93.20	94.58	145.62	109.94	123.68
Pacific Ex. Japan (198)	116.29	+0.0	89.10	97.97	89.73	104.08	−0.1	6.45	116.30	89.48	97.97	89.92	104.23	146.72	116.03	134.06
World Ex. US (1802)	133.99	+0.5	102.66	112.87	103.38	109.97	+0.3	2.57	133.36	102.60	112.33	103.10	109.61	173.77	117.12	168.48
World Ex. UK (2037)	129.32	+0.8	99.08	108.93	99.78	116.13	+0.7	2.65	128.34	98.74	108.11	99.23	115.31	162.00	115.37	157.22
World Ex. So. Af. (2275)	132.40	+0.7	101.45	111.53	102.16	117.19	+0.7	2.98	131.42	101.11	110.70	101.61	116.43	161.84	118.04	156.59
World Ex. Japan (1682)	135.07	+0.7	103.49	113.78	104.23	121.12	+0.5	4.07	134.14	103.21	113.00	103.72	120.46	151.59	124.31	136.24
The World Index (2335)	132.68	+0.7	101.66	111.76	102.37	117.30	+0.6	2.97	131.70	101.33	110.94	101.83	116.55	162.06	118.33	156.78

هكذا من الأصل